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JPRS Report

Latin America

Latin America

JPRS-LAM-88-016

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Venezuelan Businessmen: Nicaraguan Internal Situation Grave

33480093 Caracas EL NACIONAL in Spanish
10 Mar 88 p D 12

[Article by Rosita Regalado]

[Text] The group of Venezuelan businessmen that traveled to Nicaragua at the instigation of that country's bar association, to take part in the "Freedom and Democracy Forum," submitted a report to the National Council of FEDECAMARAS Monday night, in which it cites a truly worrisome situation in the sphere of human rights as well as in the economic and social spheres.

Eddo Polesel, vice president of FEDECAMARAS, who headed the Venezuelan mission, submitted a six-point report:

—There was unanimous agreement among the members of the Nicaraguan Bar Association, those of the Coordinadora Democratica, and of the Nicaraguan Commission on Human Rights, as well as the representatives of COSEP [Higher Council of Private Enterprise] and of the labor movement, that since Esquipulas II there has been a worsening of the dictatorial regime in Nicaragua, and the pressure on the groups of the so-called opposition is being increased day by day. For example:

The elimination of the special anti-Somozist courts in the manner specified in this report, which states that in substance nothing has changed and that only the "facade" has been re-done with a view to selling image abroad, but that the entire body of special laws, such as the Law on Maintaining Public Order and Security, and the criterion that presumption of guilt in regard to political crimes is sufficient to condemn a citizen without right of appeal, have remained in effect.

The Nicaraguan Commission on Human Rights requested that we publicize among the Latin American community the documentation it has provided on the situation of oppression, isolation, physical mistreatment, and total absence of a system of law that would make possible the defense of some 12,000 to 15,000 prisoners charged with political crimes.

The monetary reform, which has practically confiscated all liquid resources held by the public in excess of 10 million cordobas (equivalent to \$200), and thus affected the small savers including those at the day-laborer level.

—Lastly, reported to us was the grave situation that confronts families owing to the fact that minors are being recruited beginning at the age of 12. They are being separated from their families, held incommunicado, distanced from their homes, and subjected to Marxist-Leninist indoctrination under the guise of Sandinism. A large number of persons told us that for the past 4 or 5 years they had received no information as to the whereabouts of their children.

In the second place, the report continues, as regards freedom of the press, the impression gleaned is that, even though DIARIO LA PRENSA and RADIO CATOLICA were allowed to reopen, the overarching situation is such that in no way can this be accepted as representative of a system of freedoms, because, in addition to limitations that are characteristic of a collapsed economy, and to the fact that other media are not allowed to exercise a right to operate (television is entirely under state control), the regimen in effect continues to be an entirely discretionary one and opposed to individual and collective freedoms.

As for the economic situation, the having resorted to a monetary reform that is aimed fundamentally at eradicating inflation, and that is by its nature confiscatory, points, according to the speakers at the "Freedom and Democracy Forum," to the imminent collapse of the economy and the Sandinist regime.

The signs of the crisis, as perceived, are:

Confiscation at all levels, translating in effect into an annulment of the right of acquisition. The scarcity of food is becoming increasingly critical, taxing subsistence to its outer limits. Rationing is discriminatory and casuistic. The drive against what they term speculation translates not only into confiscation of assets, but also into ill-treatment, taunts and incitement to repudiation, and application of public censure.

Water and electricity services are haphazard and are interrupted without prior notice as to sectors or hours of the day, seriously affecting the little economic activity that still exists. Public transportation is becoming increasingly chaotic, and owing to the scarcity of conventional means (buses), it is usual to see vehicles of other types in the streets of Managua, carrying passengers on fenders, hanging on to outer parts of the vehicle's body, and crammed together in the most unbelievable fashion. Minors were actually seen occupying garbage dumps in search of food, which they consumed on the spot or took away with them.

—We observed in Managua an environment characterized by the permanent presence of public demonstrations, which we were informed are mobs organized to bring pressure on persons, assets, or institutions not supportive of the regime.

As regards the provisions of Esquipulas II stipulating the instituting of a dialogue at the policy level, for the purpose of which they created the Group of 14, it has not as yet been possible to establish contact with the Sandinist Government. This translates into still another failure to carry out the aforementioned agreements.

—We must state that despite the situation that was described to us, which on the basis of evidence we found to be true, in our case we were not subjected to any restrictions whatever, and, except for not having been

able to hold talks directly with authoritative government officials, notwithstanding the timely requests for audience submitted by our hosts, we were able to complete our entire program of work in normal fashion. It is to be noted that we were not interviewed by any official entity, despite the fact that our presence, as well as the topic to be addressed, had both been announced in advance.

As for personal contacts, we noted a certain fear and apprehension on their part in view of the prevailing

situation, but also a determination to strive for a replevin of their principles. Our most poignant experience was our meeting with the 22 January Movement, which represents mothers, wives, children, brothers and sisters, and other relatives of political prisoners.

9238

Japan Promises Continuing Financial, Technical Aid

33480098c La Paz EL DIARIO in Spanish
5 Mar 88 p 1

[Text] The Japanese government yesterday reiterated its intention to continue to provide technical and economic cooperation to Bolivia, on the occasion of the inauguration of the Tiquina Fish Culture Development Center, which was built with Japanese financing.

This offer was presented by the ambassador of that country, Takyoshi Ito, during the official transfer of these installations, which are located on the river banks at San Pedro de Tiquina. Dr Victor Paz Estenssoro, the president of the republic, was present at the ceremony.

"Thanks to the responsibility and seriousness with which the Bolivian government has met its obligations as set forth in the agreement for the construction of this fishing development center, my country will continue to aid Bolivia with major technical and economic support," he announced.

This diplomat made an official announcement to the effect that the second farm cooperation agreement involving \$5 million will make it possible to pursue major rural development activities, in which a significant advance has been seen.

On a parallel basis, Japan will provide an extensive line of financing to support the National Highway Department, so that it can repair various sections of roadway which are currently in an unsuitable condition for vehicular traffic.

In conclusion, this diplomat announced that his country will provide ours with a line of equipment for various hospitals on our national territory, as well as contributing 51 fully equipped ambulances.

The Fish Culture Center

During the ceremony held yesterday, the Japanese government turned over for use in fishing activities at Lake Titicaca, a research, training and production complex, which will basically benefit the peasant sector.

This establishment, which cost more than \$5 million and was financed by the Japanese International Cooperation Agency, is the first emporium of this nature on this part of the subcontinent.

According to the announcement made by Minister of Agriculture, Campesino Affairs and Livestock Affairs Jose Guillermo Justiniano, the Fish Culture Center will have a special administrative system, and its operational costs are to be covered by the sale of the species produced and balanced nutrients.

This official said that prior to promoting the exploitation of the fishing wealth, the government planned to undertake an analysis and scientific quantification of the biological biomass with a view to safeguarding this resource.

One of the studies carried out to evaluate the fishing resources, which was completed with the support of the CAF and in collaboration with the Peruvian Maritime Institute, as well as UMSA hydraulic, ecological and chemical institutes, made it possible to ascertain that more than 90,000 tons of fish are to be found in the central portion of Lake Titicaca.

The Fishing Development Center also had the support of the Japanese mission, the British mission, France, Belgium and Korea in establishing that there are about 140,000 tons of fish in the basins of the Amazon and Plate Rivers, "which could represent about 200,000 tons of fish for Bolivia. With the extraction of 20 percent of this total annually in the course of the next few years, we might have 40,000 tons available, which would provide a source of work for more than 20,000 fishermen," Minister Justiniano announced.

He said that because of the extraordinary potential of the fishing assets of Bolivia in the hydrographic basins of the High Plateau, Valles and the Amazon region, the government has, by means of a supreme decree, established the basis for the creation of a Bolivian hydrobiological resources institute. Its final organization will be developed in the coming months, working from a project which is being drafted on technical and scientific foundations.

5157

Joint Wool-Marketing Venture Initiated With Peru

33480098a La Paz EL DIARIO in Spanish
6 Mar 88 p 6

[Excerpt] Peru and Bolivia plan to establish a binational enterprise to market alpaca and llama wool, and also to implement control measures to prevent the smuggling of live animals such as the alpaca, vicuna and other Andean species.

The preliminary agreements on establishing a binational enterprise were approved at a meeting held in Puno on 29 February last, in which representatives of the Peruvian Ministry of Agriculture and the Bolivian Ministry of Agriculture, Campesino Affairs and Livestock Affairs (MACA) participated.

One of the main agreements approved at that meeting calls for the commissioning of a business organization of a binational nature, with a draft of a project outline.

Initially, the FONGAL organization in Puno, with the support and collaboration of the Puno-Peru Departmental Agrarian Unit working in coordination with the representatives of Bolivia, will within a period of 90 days establish the terms of reference and the project outline.

Dr. Ciro Justiniano Melgar and Eng Rodolfo Wende Catacora, who represented Bolivia at the meeting in Puno, where South American livestock in the camel and dromedary and ovine categories were concerned, reported that on this occasion, an assessment was also made of the control over and protection of alpacas and llamas in the two countries.

On this occasion, it was noted that despite the effort which has been made with regard to illegal traffic in these species across frontiers, there is a need to intensify control measures, and in particular, to specify the provisions of paragraph 10 of the document signed on this occasion pertaining to the protection of South American camel and dromedary species, which are regarded as a valuable resource for the population of the High Andean and High Plateau regions.

Also, the intention of the representatives of Bolivia to import ovine breeding stock from Peru was confirmed.

In principle, based on the potential and the available resources, the Peruvian representatives accepted this application for later processing, after the Bolivian request to import sheep has been made official. On this occasion, both countries noted the need to increase the breeding of sheep, to which end the governments are to coordinate efforts to promote and encourage sheep-breeding activities.

Simultaneously, it was agreed to sponsor a meeting of a technical nature, within 90 days' time, in connection with the raising of sheep in the settlement of Desagüadero.

Other Agreements

The need to exchange technical and bibliographical data through the pertinent public institutions was confirmed.

The Peruvian and Bolivian delegations meeting in Puno noted the need to ensure that the agreements signed there were followed up, and it was announced that another meeting will be held within 90 days to assess the implementation of the agreements signed.

At this meeting, the government of Peru was represented by Engs. Walter Mercado Zedano and Isidro Velasco Sagua, as well as representatives of the CIPA, CENFOR, the Subproject on the Rational Use of Vicuña, the Puno Agrarian Office, Dr. Victor Bustinza Choque, who is the dean of the Faculty of Veterinary Medicine and Zootechnology at the High Plateau National University, and also representatives of other institutions in this neighboring country. The director general of the National Wool

Development Institute (INFOL), Eng Rodolfo Wende Catacora, who attended this international meeting, said that an analysis of the status of the raising of South American camel and dromedary species (alpacas and llamas) is needed. It should emphasize not only the importance of this activity for the department of Puno in Peru and the departments of La Paz and Oruro in Bolivia, but also its great economic, social and cultural impact on both countries and governments. And, as a result of this, joint actions to develop the raising of South American camel, dromedary and ovine species should be carried out.

5157

Editorials, Press Reports Evaluate Effects of COB Strike

Government, Labor Opinions Differ

33480101a Cochabamba *LOS TIEMPOS* in Spanish
4 Mar 88 p A9

[Article: "The COB Strike: Success or Failure?"]

[Text] Different opinions have been expressed about the results of the 48-hour strike called by the Bolivian Labor Federation (COB). Labor leaders claimed that the strike was a "genuine success" because it won the support of federated truck drivers. Government officials and businessmen, on the other hand, argue just the opposite, saying that the strike was "another failure for the COB."

Leaders' Opinion

Leaders of the Departmental Labor Federation, after assessing labor's performance, stated yesterday that the 48-hour strike was a success because discipline was maintained, with the exception of some sectors that violated the strike "under pressure from management or government authorities."

They indicated that the support of the truck drivers was a key factor in achieving the defined objectives, including the semi-paralyzation of the city.

The leaders of the Departmental Labor Federation Executive Committee pointed out that the strike served to heighten workers' awareness of the severe problems they face, such as low wages and the lack of budget allocations for solving health and education problems.

They complained that government agents tried to break the 48-hour strike by threatening to fire all public officials who obeyed the call to strike.

They indicated, however, that the strike succeeded in showing the government that the working class is united around its chief trade union organization.

Chamber of Industries

Executives of the Departmental Chamber of Industries, on the other hand, declared that the people must judge whether the COB strike was a success or another failure.

The manager of the Chamber of Industries, Eduardo Lafuente, contended that during the 2 days of the strike, 96 percent of the industrial facilities of Cochabamba worked normally, in small and large factories alike.

"We do not feel the COB strike has been successful, because the workers in the factories worked normally. No one is willing to lose 2 days' pay during this time of crisis," he pointed out.

He reported that Cochabamba businessmen do not have problems with the workers over wages, because they have met the workers' demands within the limits of their economic possibilities and in accordance with the productivity of each factory.

"Apparently the workers are taking stock of their situation and decided to work normally during the days of the strike, a sign of their maturity," he said.

Labor Ministry

Labor Ministry officials termed the strike a "new failure" by the leaders of the Bolivian Labor Federation.

In an evaluation of labor's performance, they indicated that 80 percent of activities proceeded normally during the 2 days of the strike.

The departmental director of labor, Felix Mujica, asserted that the strike was another blow to the trade union leaders, because the rank and file did not respond as they had wanted.

He said that in Cochabamba the public administration, private business, the banks, and commerce all operated normally.

"We have evaluated the situation, and 86 percent of labor activity proceeded normally, despite assertions to the contrary by labor leaders," he said.

He added that from now on the executives of the COB should think twice before adopting a pressure measure, so that pressure measures will not lose their effectiveness altogether.

What Did the Strike Accomplish?

Both private businessmen and Labor Ministry officials pointed out that none of the objectives of the 48-hour strike was achieved.

They indicated that the leaders of the Bolivian Labor Federation should change tactics in order to achieve important goals for the workers, because strikes damage the economic structure of the productive sector.

They stated that the 48-hour strike did not result in a pay raise or in any increase in the education budget. Consequently, they added, in the future the leaders should act more prudently.

Public Opinion Opposes Strikes

33480101a La Paz PRESENCIA in Spanish
6 Mar 88 p 3

[Commentary by Alberto Crespo Gutierrez: "The COB Strike"]

[Text] The latest 48-hour strike called by the Bolivian Labor Federation has been received with obvious repudiation by the public. This criticism is reasonable, and is based on the fact that a strike like the one carried out a few days ago does not help anyone, and hurts our fragile economy.

The news that government leaders and COB officials were meeting to discuss the list of demands presented by the labor organization sparked hopes that an understanding might be reached. Such an understanding would not be based on unconditional acceptance of the points put forward, but rather on agreements that would improve the workers' lot without taking away from what has already been accomplished, especially in the battle against inflation.

It was impossible for the government to give the COB everything it asked for, but there was also no reason to expect a total rejection of the union's demands. Any agreement would have to be based on realistic statistical studies which, without yielding the achievements made in managing the economy, would take into account the difficult plight of the many workers—almost all of them—whose paychecks are not enough to cover the cost of daily living. The problem is a complex one, and it is impossible to solve overnight because such a solution must involve an increase in productive activity, which is not a quick or easy task.

We would have been very pleased if the government-COB dialogue had had a more constructive outcome. It would have been better for all concerned, especially in terms of improving the workers' pay, if agreements had been reached. Even if these were only minor agreements, there would have been a commitment to a continued assessment of the economy's progress, so that labor could continue to benefit, albeit gradually, from increases that might result from the future development of the economy.

Everyone seems to agree on the need to accelerate the announced economic reactivation, which is an essential foundation for improving the workers' real income.

Thus, labor's most important request of the government should revolve around that point. Unfortunately, it chose a course which, far from promoting the productive organization of the country, actually places obstacles in its way. A strike erodes the confidence of management, which must contribute its share to the improvement of the economy, and discourages investors, whose participation is vital for attaining the desired economic recovery.

The fact that adherence to the COB's call to strike was obviously only partial, and in some cases very low, cannot be an encouraging sign for the trade union leaders. It shows once again that the rank and file are basically disillusioned; they undoubtedly see no chance of improving their living conditions with attitudes that may please the leadership of labor organizations but do not benefit the working masses.

Parenthetically, we might add that public opinion has been against the marches that block traffic and prevent people from moving about to attend to their obligations, in addition to creating an atmosphere that is propitious for acts of violence. It is high time we regulated this type of gathering, which should be limited to certain places where crowds will not hamper or prevent the free circulation of peaceful citizens.

We hope that the interrupted government-COB dialogue resumes in a calm atmosphere that will yield measures which can lead to the speedy and effective reactivation of the economy. We also hope that this economic recovery benefits labor fairly, given that there is no doubt that pay rates in almost all cases are inadequate.

Strikes Weaken Economy

33480101a Santa Cruz *EL MUNDO* (MUNDO EMPRESARIO Supplement) in Spanish 6 Mar 88 p 3

[Editorial: "The COB Strike"]

[Text] The recourse of going out on strike as a means for everything and against everything, as used in the recent past, has brought the country to the brink of economic destruction and has disgusted the populace. Even the workers themselves ended up repudiating this method of redressing grievances, used as irresponsibly as it was. They have been dragged into such actions constantly by a partisan labor leadership that was punished for its improper conduct by the workers themselves at the polls.

The 48-hour strike decreed by the COB has not been received with open arms as its promoters had expected; activities have been carried out quite normally, in the cities as well as the countryside.

In Santa Cruz, the strike passed without incident; 98 percent of all activities continued. This shows the degree of maturity local workers have attained, remaining beyond the reach of the political manipulation to which

the workers in the interior of the country are subjected. Moreover, they are convinced that only through the work and effort of all Bolivians as a whole will we be able to survive this severe crisis.

The individual pact is the rule in labor-management relations in the private sector. Through direct negotiation, the workers express their points of view and their needs. This allows for a free-flowing dialogue that facilitates understanding, to the mutual benefit of both sides, and demonstrates the efficiency and the advantages of the model of labor contracting that prevails in private industry.

With regard to the pay raise requested by the COB, it should be dealt with as responsibly as possible. The liquidity problems faced by the General Treasury of the Nation rule out any raise as large as the one requested, however. In any country in the world, wages are a function of the productivity of business, and of the state's capacity to absorb these requirements. If these parameters are ignored and an inappropriate pay raise is granted, the first to suffer will be the workers themselves, because this situation would be accompanied by an inflationary process that would drive up unemployment and shrink the buying power of wages.

What we need now is dialogue and moderation. Strikes tarnish the country's image and erode the confidence needed for investment. All of us Bolivians should respond to the crisis that grips us through productive labor. The COB leadership must abandon that method of struggle, which has been so discredited by abuse.

08926

Editorial Criticizes Effects of YPFB Strike

33480101b La Paz *PRESENCIA* in Spanish 9 Mar 88 p 3

[Editorial: "The Oil Workers' Strike and Domestic Realities"]

[Text] The more urgently we need social and political tranquility, the more problems arise to reverse the little progress that has been made, progress that is very important for consolidating democracy in our country. The strike called by some oil workers in "repudiation of the economic-salary and other proposals" advanced by the government may be the first in a series of problems that will add to the many ills already plaguing the nation.

The workers claim that the government "imposed" an agreement on them and that it was signed by only some of the sector's leaders. Not content with calling the strike, they have gone to the extreme of shutting down the refinery at Palmasola, meeting the technical requirements for that operation. A little later, the Army sent troops to occupy the plant, and if they tried to "fire it up" there might be serious malfunctions whose consequences would be disastrous for the petroleum enterprise

and for the country. Despite the provisions that have been made, then, this development could mean a shortage of fuel, with the resultant problems.

Aside from the economic havoc it has wreaked, the oil strike could cause other damage of a political nature. Experience (at least in the last 30 years) has shown that this kind of movement aims at more than improving the workers' pay; somewhat surreptitiously, such actions also seek to achieve other objectives that undermine the stability of the constitutional government. This same experience indicates that when we live under dictatorial regimes, we try every means possible to return to democracy; but as political-sectarian convenience dictates, when we live in a democracy, we will stop at nothing to bring about changes "because the government did not keep its promise" (whatever it was), and we must "make life impossible for it." We do not stop to think that this "impossible life" must be endured by the populace as a whole, and this prevents us from overcoming our problems and developing the country.

The government does make mistakes, there is no doubt about that; it is also true that it could have taken steps much earlier to solve the problem. But it is also clear that the labor leaders at the Bolivian Government Oil Deposits (YPFB) are not taking into account the country's real situation, or the fact that income in this sector, at least for the majority of workers, is much higher than in other sectors. And above all, it is clear that calling an illegal strike does not do them any good; it is something that the citizens, who ultimately suffer the consequences, will consider carefully. In view of this combination of unfortunate circumstances, it is incumbent on everyone to behave prudently, to speak honestly, and to renew the dialogue on the basis of realistic positions. We must all realize that the common good of the country should prevail, at least in this case, over any other interest.

08926

Sarney's Growing Isolation Within Government Discussed

33420067b Rio de Janeiro O GLOBO in Portuguese
17 Feb 88 p 3

[Article by Cida Fontes]

[Text] Brasilia—Who are President Jose Sarney's interlocutors in the National Congress? This question haunts Ulysses Guimaraes, president of the PMDB [Brazilian Democratic Movement Party] and president of the Constituent Assembly—and also haunts the friends that Sarney made throughout his congressional career, for few of his old friends can today be identified as his interlocutors. Increasingly isolated from politicians and from the most representative party leaders, Sarney is witnessing a breakdown in relations between the administrative and legislative branches.

In the heyday of the Cruzado Plan, when the PMDB won a great victory at the polls, the president was able with self-assurance to convene the Political Council of the Government, formed by the leaderships of the Democratic Alliance. Now, however, with the dissolution of the pact between the PMDB and the PFL [Liberal Front Party], this channel of communication has been deactivated and three of its most significant names—Senators Fernando Henrique Cardoso (PMDB, Sao Paulo) and Carlos Chiarelli (PFL, Rio Grande do Sul) and Deputy Pimenta da Veiga (PMDB, Minas Gerais)—are frequent critics of the administration. Following the stampede provoked by Cruzado II—which culminated in mistakes in the economy and in the unpopularity of the administration—the president saw the PMDB become increasingly estranged from him.

Faced with this situation, Sarney appointed Deputy Carlos Sant'Anna—of the moderate wing of his party, the PMDB—to be his confidential leader in the Chamber of Deputies. Then recently, acting on the advice of two friendly senators—Alvaro Pacheco (PFL, Piaui) and Edison Lobao (PFL, Maranhao)—he also decided to appoint a leader in the Senate: Saldanha Derzi (PMDB, Mato Grosso), another moderate. This selection was made precisely because Sarney felt himself unprotected against criticism from his two former leaders, Fernando Henrique and Carlos Chiarelli. Both in the presidential palace and in the Congress, the list of names of Sarney's interlocutors stops with this pair, Sant'Anna and Derzi.

One PMDB member of the cabinet who has free access to the presidential office said that Sarney had no other course open to him than to designate these two leaders to serve as the formal channels to the office of the president of the republic, inasmuch as he had lost the support of the party leaders. Except for these channels, Sarney has reduced to the minimum the number of his interlocutors and is today supported—for all practical purposes—only

by those old friends who are regular visitors not only to the presidential office but also Alvorada Palace, but do not have any political voice or good contacts in Congress.

The relations with the president are differentiated as between these two fronts. There are those who are personal friends but have no political influence and carry out the mission of informing the president of political events either over the morning coffee or at the dinner table in Alvorada Palace. They include Senators Alvaro Pacheco, Edison Lobao, and Alexandre Costa (PFA, Maranhao). On the family side there are his son, Deputy Sarney Filho (PFL, Maranhao) and his nephew, Alberico Filho (PMDB, Maranhao).

Those persons whom Sarney likes but with whom he has no close political ties include Senators Humberto Lucena (PMDB, Paraiba), Lourival Batista (PFL, Sergipe), and Leopoldo Perez (PMDB, Amazonas); and Deputies Cid Carvalho (PMDB, Maranhao), Milton Reis (PMSB [as published], Minas Gerais), Jose Lourenco (PFL, Bahia), Jorge Vianna (PMDB, Bahia), and Jorge Leite (PMDB, Rio de Janeiro). These congressmen do not, however, speak the same language, nor are they empowered to speak to Congress in Sarney's name.

"Only those who are invited enter Alvorada Palace," Senator Leopoldo Perez—who is working for the 5-year presidential term—is in the habit of saying.

The activity of Carlos Sant'Anna, on the other hand, is limited to fulfillment of his functions as leader representing the administration. He is not a personal friend of the president. He talks with Sarney either by telephone or in person, but rarely dares to knock at the door of Alvorada Palace without telephoning first.

Still new at his job as Sarney's natural interlocutor, the president's leader in the Senate has spoken little with him, and so far only by telephone. Saldanha is a personal friend of Sarney and is regarded as a good negotiator.

10992/9604

Military Voices Support for 5-Year Term for Sarney

Leonidas Cites Rights

33420075a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 20 Mar 88 p 4

[Report by Zenaide Azeredo]

[Text] Brasilia—To express oneself on political matters—in this case the 5-year term for President Jose Sarney—is a "democratic fact" and a "right of the military ministers." That is the opinion of Army Minister Leonidas Pires Goncalves, who, along with his Navy

and Aeronautics colleagues, Adm Henrique Saboia and Brig Moreira Lima, respectively, believes that that has nothing to do with a possible return of the military to politics.

In the interview he granted to ESTADO, the Army minister pointed out that his position has a "political facet." Justifying his statement and those of his colleagues, he commented: "We are doing this for the same purpose, to express our opinion on the political aspects that are best for Brazil." In supporting a 5-year term, the military ministers "have only one point of reference: Brazil," he explained.

Navy Minister Adm Henrique Saboia preferred to address specifically the matter of the return of the military to politics. He made it a point to make clear that he does not view things from that perspective. As a citizen, he argued, he has the right to speak out on politics and to express his opinion. Also invoking his right as a citizen, Aeronautics Minister Moreira Lima went further, saying that if all segments of society, workers and employers are being heard, why not the military? The Aeronautics minister, who a little over a week ago ended up being the spokesman of military concerns regarding the reduction of the presidential term, is now engaged in bringing that view to the political leaderships. Recalling his meeting with Ulysses Guimarães, the brigadier yesterday reinforced the subject that is worrying the barracks in the event that there are elections this year: the lack of ordinary legislation updated to conform to the new constitution, and the danger of chaos gripping the country, "naturally, requiring calling on the Armed Forces to maintain law and order."

Responsibility

These statements by the ministers were repeated and clarified, particularly by other military officers who, because they do not hold political positions, are subject to disciplinary regulations if they express themselves in public. The responsibility which the ministers of the Navy and Aeronautics referred to, explained a four-star general, pertains to the military's constitutional role retained in the new constitution after much work of persuasion among the congressmen. "It is our responsibility for the security of the country, and it is our commitment to the institutions," said the general. Later, making it clear that the members of the High Command have taken those concerns to the military ministers, the four-star general concluded: "Many things can happen if Sarney's term is reduced." Considering the worst case scenario, as he said, he explained that Sarney "could even resign." And who will guarantee that his successor, Ulysses Guimarães, wants to assume the position? he asked. Which he answered himself: "Nobody. Thus the presidency would be in the hands of the Federal Supreme Court. We would inevitably be facing another crisis because, by law, elections would be called within a minimum period of 30 days. Many congressmen would

not want that and we would have to intervene to guarantee the holding of elections. And if Lula or Brizola won, the elected candidate would have to assume office."

According to that worst case scenario, two military men from different service branches reasoned identically the same: "Nobody can foresee what is going to happen," said one. "It will be chaos, anarchy, and we are very much afraid of a social upheaval and a wave of strikes, because at that point the Armed Forces will have to intervene to maintain law and order." According to the other, that is the frame of reference of Leonidas Pires' observation about "the greater interest of Brazil." There is no way of dissociating development and security. If security is shaken by the reduction of the term, one Army officer reasons, Brazil will have enormous difficulties "even in securing foreign financing."

Tied to the question of security, all of the military men interviewed also expressed concern over a probable reduction of the time they themselves would have for implementing their internal projects. In the Navy, ship purchases have been readied, while the Army is busy with an ambitious project (the FT-90) involving the purchase of helicopters, tanks, and sophisticated equipment, in addition to the construction of barracks, and Aeronautics has been purchasing planes of all types from EMBRAER and abroad. Who will guarantee that the next president of the republic will be as generous with appropriations, the military reason. Nobody. Another argument in favor of the 5-year term.

Tactics and Strategy

If that is the goal, and if the important thing in a military action is victory, the military ministers showed last week that in politics also, the best tactic continues to be to attack. The idea of a movement such as that of 1964 was emphatically discounted by all of them with the same argument: Any military coup would be doomed to failure because, unlike what happened 24 years ago, it would lack popular support and the support of the church. But not excluded is what the military learned to do during their whole career: to plan and to use military strategies and tactics. Within the strategy of preventing the reduction of the presidential term, the military ministers are utilizing the strength of their positions and communicating their opinion to the Constituent Assembly delegates. Some of them may even take the suggestion as a threat, admitted one minister, but generals, brigadiers, and admirals are discounting that possibility. "It is simply the application of military doctrine," said one of them. "Attack, even with opinions, to achieve the grater objective, by peaceful means, through the manifest fear of the enemy," explains another. The congressmen may even want to "pay to see" but, "understanding the risks will think twice before voting for 4 years."

A high-ranking SNI source agrees: "If a 4-year term is approved, I do not know what can happen. It is better not to predict anything and await events."

Maximiano Prefers Postponement

33420075a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 18 Mar 88 p 5

[Text] "The most sensible thing to do is to hold the presidential election in 1989," said former Navy Minister Adm Maximiano da Fonseca last night in Rio. He recognized, however, that "the people are really anxious to have an election this year." Maximiano, who was the first military minister of the 1964 regime to support the return of power to a civilian president, declared also that "the situation is serious but it is necessary to avoid involving the Armed Forces in the context of the solution of the crisis."

In his opinion, "from the political viewpoint, Brazil's problem is not that of a political system but of a political habit." Thus, "as long as national interests are not put in first place, the problems will continue." The admiral was emphatic in declaring also that the crisis is a matter to be resolved by the politicians not by the military.

In the assessment of Maximiano da Fonseca, the failure to define President Sarney's term has hurt the present government and should have been the first concern of the Constituent Assembly. "Now, in the present picture, the most responsible thing to do is to hold the election in 1989, giving the government time to put its house in order so that the juridical rearrangement that the new constitution will require may occur without any problems."

President Sarney's statement in Rio Tuesday was analyzed yesterday by the military, who considered it realistic.

In the opinion of others, however, the president should not risk stability as a consequence of the reduction of his term. According to the officers, the best thing would be to hold a plebiscite, to see if the people want 4, 5, or 6 years for Sarney. Other military men stressed that Sarney spoke about politics in an inappropriate place: a training ship. They observed that the president's quotation of Admiral Barroso ("Stand firm under fire, for victory will be ours") was wrong because Barroso was speaking about a foreign enemy.

Camarinha: Constitution To Be Respected

33420075a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 17 Mar 88 p 7

[Text] Minister-Armed Forces Chief of Staff Paulo Roberto Camarinha told the Chilean press that democracy "was consolidated in Brazil" but pointed out that the military will have to be heard before ratification in the Constituent Assembly of the article that prohibits coups d'etat in the country.

Camarinha, who is in Santiago heading the Brazilian delegation to the International Aviation Fair, made those statements Tuesday night during a short interview following an audience with Chilean Foreign Minister Ricardo Garcia. He asserted that the Armed Forces are obeying the present constitution and "will act in the same manner with regard to the constitution that is approved." He regarded as "probable" the approval of a 5-year term for President Sarney.

He avoided making any predictions about the article in the Systematization Committee bill prohibiting coups d'etat in the country. "I cannot speak about the matter. It requires a second vote in order to be approved, and the chiefs of the Armed Forces are still going to express their opinions in that regard," he said. The reporters wanted more details but Camarinha refused to reply. Similarly, he avoided commenting on the political role of the Chilean Armed Forces, preferring to stress that the relationship between Brazil and Chile at the military level is one of the best. "The friendly relationship between the Armed Forces of Brazil and Chile endures," he said. "Many officers of the Brazilian Air Force are taking courses in Chile. The exchange is constant and uninterrupted."

Avoid Election This Year

33420075a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 19 Mar 88 p 5

[Text] "The important thing is to avoid an election this year." That is what Army Minister Gen Leonidas Pires Gonçalves told Deputy Jose Geraldo (PMDB-Minas Gerais) during an audience at General Headquarters yesterday. According to the deputy, the minister added that if "parliamentarianism is the system, so be it."

Deputy Jose Geraldo explained that the minister continues to be a firm supporter of the presidentialist system but would accept a change in the system of government provided that it insures that elections are not held this year, which he considers detrimental to the country. Minister Leonidas believes, as he confided, that the Constituent Assembly delegates will now how to find the best solution for Brazil. It may be the parliamentary system with a 5-year term for President Sarney, although he insisted that the basic thing is to postpone the election until next year.

During the conversation, the Minas deputy explained to the Army Minister that the Egydio Ferreira Lima parliamentary amendment was the best at the moment because it proposed that the censure of state ministers be collective, while the presidentialist amendment signed by Humberto Lucena supports individual censure, and the military are against it. According to Jose Geraldo, Leonidas agreed with the observation. The matter had not yet been analyzed by the military.

Saboya: Country Needs Peace

33420075a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 17 Mar 88 p 4

[Text] "We believe the nation needs peace, tranquility, rules, well-established guidelines before we think of holding elections," said Navy Minister Henrique Saboya in Rio yesterday as he received President Jose Sarney aboard the training ship Brazil. In his opinion, "the important thing is not the simple act of holding an election, but to have an election as the result of the yearnings of Brazilian society."

The minister said: "Those who sail in heavy seas must be very careful and have a very competent crew, capable of steering the ship to a safe harbor regardless of the conditions of the sea." He was referring to the difficulties indicated by the president of the republic in his speech on the schoolship. In the Navy, the term "heavy seas" means turbulent waters, when it is difficult to maintain the stability of the vessel.

In the opinion of the admiral, the possibility of steering the ship—in this case, Brazil—to a safe harbor will depend solely and exclusively on the crew. "And what all of us Brazilians hope is that the crew of that great ship—which is our country, our future—will have the higher perception that it is necessary to have a great rallying of efforts, and that the effort of each one be aimed solely at insuring that the ship will be able to cope with the heavy seas and traverse them without losing its direction."

Coresponsibility

Henrique Saboya declared that "it is necessary for all to become convinced of their coresponsibility, for all to understand that at the moment of difficulty, of unfavorable seas, that there is no spectator or passenger, and that all should participate in helping sustain the ship."

According to the admiral, "The great goal that all Brazilians desire is that of democratic evolution, tranquility and the prosperity of the Brazilian nation." He emphasized that when Sarney referred to Adm Barroso's words in his speech ("Stand firm under fire, for victory will be ours"), he meant that "we must sustain the effort, because it will be able to lead the country where we want to go."

As for the constitution, the Navy minister declared that joint effort may permit the country to have a new constitution that "will respond to the aspirations of the population as a whole and that it will not be a constitution of groups, but a constitution that responds to the yearnings of the people."

With regard to the presidential election, Minister Saboya confirmed the opinion already expressed on other occasions: "The minister does not have a position on that.

But the Navy minister has already said that he views with deep concern the holding of elections without all of the preestablished guidelines, calmly and thoughtfully established."

8711/9274

PMDB Leaders View Motives in CD's Break From Centrao; Comment

PMDB 'Historic Group' Caught Off Guard
33420067a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 16 Feb 88 p 3

[Text] Brasilia (AGENCIA ESTADO)—Leaders of the "historic group" of the PMDB are disconcerted by the about-face on the part of the PMDB "moderates" led by Deputy Expedito Machado of Ceara. The Democratic Center [CD]—organized in mid-1987 to unite the Center-Right factions of the PMDB and confront the Left factions—wound up being outtravaled by the inter-party Centrao. With the time drawing near for selection of the PMDB leader in the Chamber of Deputies and for the election of a new directorate and new National Executive Committee—together with the possibility that the Constituent Assembly will approve a presidential election for this year—the moderates decided to leave the Center (at least theoretically) and return to the party's ranks and to the leadership of Ulysses Guimaraes.

The historic group does not believe in the "conversion" of the moderates, and some of them—including Jose Richa, Pimenta da Veiga, Euclides Scalco, and Jose Costa—are convinced that the real aim of Expedito Machado's group is to take the steam out of the separatist plan for causing the ideological implosion of the PMDB. The principal coordinators of the historic group say—quite openly—that it is pointless to continue to coexist in the same party with the rightist factions.

They believe that the Democratic Center is attempting to rise again in an effort to avoid new attacks from the Center-Left of the party. If everyone is in the same organization and pledged to fight for unity and to uphold the PMDB principles—according to the moderates—the leftist factions would presumably be left without any ammunition for an attack.

That's apparently not quite the way it is. Even against his will, the president of this heterogeneous "front" had to order publication of the bulletin convening the National Directorate to meet on 24 February, on the initiative of the historic group. The PMDB president even tried to postpone the meeting on grounds that nothing should divert attention from the work of the Constituent Assembly.

The meeting of the National Directorate was convened, but there is no assurance as yet that it will be held. The members of Congress who are closest to Ulysses Guimaraes are counting on the governors remaining loyal to the

party leadership—on their support for the scheme to take the steam out of the meeting. Without a quorum for deliberation, nothing can happen. Any decision must receive the votes of 62 members of the National Directorate—an absolute majority—which might not be possible if the governors collaborate with this tactic of obstruction.

If the meeting is held, the historic group will attempt to elect to the third vicechairmanship of the directorate—a voting seat—two members of the group, Parana Deputy Euclides Scalco and Pernambuco Deputy Egidio Ferreira Lima, both of whom are distinctly of the Center-Left wing of the party.

Until recently the historic group's candidate for the third vicechairmanship was Parana Senator Jose Richa, to fill the vacancy left by the departure of Senator Affonso Camargo for the PTB. The members of congress who are most in tune with President Sarney and with Ulysses Guimaraes nominated Maranhao Deputy Cid Carvalho to face Richa.

Problems arose that forced the former governor of Parana—one of the leaders of the interparty congressional group—to disavow his candidacy. If the historic group decides to leave the PMDB, it would make no sense for one of their number to run for a position in the party leadership. In the absence of an adequate effort—and in view of the uncertainty as to whether the meeting of the National Directorate will be held—Jose Richa refused to run.

The historic group promptly launched the candidacy of Parana Deputy Euclides Scalco, one of those individuals who are most closely linked to Richa and to PMDB leader Mario Covas. Deputy Scalco is first vice-leader of the party in the Constituent Assembly and is first secretary of the National Executive Committee. The moderates and the PMDB members of Centrao regard Scalco as biased and intransigent, besides being a leftist. His selection as candidate for the third vicechairmanship was a deliberate move designed to provoke the Center-Right faction of the party.

The slightest reaction of the moderates against Scalco could be used by the historic group as a pretext to formalize the schism and proceed from there to separation.

There are, moreover, two other matters to be discussed and voted on by the National Directorate: the question of a PMDB break with the government and the recommendation to vote in favor of the 4-year term for President Sarney. Neither question—if Ulysses Guimaraes has his way—will be decided very soon. The moderates do not believe any decisions will be made on 24 February. They point out in this connection that the supreme organ of the party—the national convention—decided in June of last year that the length of Sarney's term, and the system of government, would be open

questions at the Constituent Assembly. The historic group knows this but wants to persist at least in recommending that the presidential election be held in 1988.

The proposal for a break with the Sarney administration is not expected to win support immediately. The majority is inclined to wait for promulgation of the new Constitution.

Ulysses Guimaraes has good reason to be concerned about the meeting of the Directorate. The always-postponed implosion of the front over which he has presided since 1971 could occur precisely at a time when his stock as a candidate to succeed Sarney appears to be rising within the party.

Overriding Reasons

In detaching itself from Centrao and returning to the bosom of the PMDB, the Democratic Center was taking the long view. Its leaders sensed that the presidential succession process is already under way, and that the PMDB will find it difficult not to have Ulysses Guimaraes as its candidate. The best course is accordingly to align immediately with the Sao Paulo member of congress—to board the train at the station, on schedule, without running the risk of having to catch it later, after it is moving and the best seats are already taken.

Basically—as has been noted by Deputy Roberto Cardoso Alves, who does not belong to the Democratic Center but remained in Centrao—the “diaspora” has very little significance where the Constituent Assembly is concerned. One cannot imagine Deputy Expedito Machado voting for the same amendments and proposals as Deputy Aldo Arantes of the PC do B [Communist Party of Brazil]. When it is time to choose between “centrist” articles, on the one hand, and socialist or socialist-leaning articles on the other, the Democratic Center will stand where it has always stood. The first test could come within the next few days when the Constituent Assembly debates the question of job security.

An Additional Pretext

Deputy Ulysses Guimaraes' hopes for resuming the deliberations of the Constituent Assembly day after tomorrow have vanished. With the end of the airline strike it will not be easy to get to Brasilia, even for the minority who are committed to an immediate return. Most of the deputies and senators—if they are able—will leave for the federal capital by the end of the week. If they are unable to do so—because of a lack of space on the planes, which have only just now begun to fly again—one must be patient. By way of compensation, Ulysses Guimaraes has already begun to discern the profile of the factor that will prevent the promulgation of the new Constitution on 21 April: It is the profile of an airplane. There will be those who place the blame on Santos Dumont.

Pacotao

The irreverent "Pacotao"—the Carnival club created years ago by the journalists of Brasilia—paraded with a banner suggesting that 5 years is not enough for President Sarney. Sarcasm aside, one might have made a prediction such as that made by the tenor who—after being roundly booed by the audience—left the stage guffawing loudly. When asked the reason why, he replied: "Wait till you hear the bass who's going to come on now...."

Leaderships

Senator Mario Covas, PMDB leader in the Constituent Assembly, noted with satisfaction that the "split" in Centrao is causing the members of the Assembly to accept the titular leaderships of their respective blocs. In the opinion of the senator from Sao Paulo, from now on the ideological and doctrinaire groupings should be replaced by the party delegations, but only pursuant to negotiation.

Lessons Learned From Demise of Centrao

33420067a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 18 Feb 88 p 3

[Text] With the astuteness that characterizes his political opinions, Deputy Delfim Netto declared, in a recent interview: "Centrao has ceased to exist; let no one fool himself. Centrao was an organizational mechanism designed to vote changes in the bylaws of the Constituent Assembly. It was the cry of the majority that had been marginalized by the minorities." Accordingly, no one should be surprised to find that this "mechanism" has been extinguished in the plenary session of the Congress. Those who belonged to Centrao were well aware of what they were against; they formed it to prevent the future Constitution from being the product of an expert tactic of the aforementioned minorities, which had taken over key positions on the Committee on Systematization and tried to get the plenary session to agree to be force-fed the text that originated with the so-called "Cabral II" project, augmented by amendments that had been received by the Committee.

Unfortunately, this phenomenon is not at all unprecedented. It is easy, in politics, to form "fronts"—whether broad fronts or unitary fronts—to bring together those who are opposed to...something, and the verb, in this acceptance, can indeed be considered as intransitive, for the fact is that the sense in which it is employed compels it to dispense with a complement. To the extent that one knows what one does not want, everything goes smoothly; but as soon as one must "deliver the goods" and prescribe a positive option in accordance with doctrinaire or ideological principles, the disagreements quickly surface and the "front" breaks up. The same thing occurred in the case of Centrao, as soon as it was called on to take a stand, first with respect to the words in the preamble to the Constitution and later with respect to

property rights. Now it is anticipated that Centrao will have wasted away within 2 weeks at the most. In fact, it has already lost the absolute majority with which it had revised the bylaws of the Constituent Assembly—lost it the very moment Deputy Expedito Machado rounded up his "soldiers" and announced that he was returning with them to the Democratic Center, an organ of the PMDB. In the controversy over property rights, the computer revealed that only 225 members of Congress could be regarded as "orthodox," having voted with the group on all issues. When the collective security decree came up for debate, however, the total of the "loyalists" dropped to 103.

It should be noted—in view of these facts—that the death of Centrao is occurring partly because of the lack of leadership. This is without a doubt the most nonsignificant of the Brazilian constituent assemblies, which unfortunately have not been few in number. It is probably not the time to inquire into—and to expound here in this commentary—the causes of the intellectual poverty of the plenary assembly that has striven for more than a year to approve the Constitution.

It is important to point out, however, that if during Carnival (which has just ended) the National Constituent Assembly was symbolized—in the popular processions in many of the state capitals—by the tortoise, there is ample justification for the comparison, which however does not do it justice (the Constituent Assembly, not the tortoise).

What should be done? In 1946 the Constitution was promulgated 7 months and 18 days after the start of the legislative deliberations. When will it be promulgated this time? No one knows, and any attempt to offer a precise answer to this question will be justifiably regarded as frivolous. There is a lack of leaders whose knowledge and prestige would be capable of uniting the moderates into the broad grouping that would be necessary after the new Constitution takes effect—a party of the democratic Center that would offer congressional support to the future government. There was a lack of discernment in connection with the convening of the Constituent Assembly, which should have been charged—working from a basic text—with debating, voting, and promulgating the Constitution and then dissolving itself immediately after the elections for the Legislative Branch are convened. Lastly, there was a lack of will to face the great expanses of Brasilia on the part of many of those who could upgrade the congressional corps that is currently working on the Central Plateau but who—with rare exceptions—refuse to put down any roots there and on weekends fly back to their electoral bases, fleeing the dull life of the Capital, which continues to be an artificial city without any attractions, without any community life.

Of all the lessons to be learned from the "demise" of Centrao, it is essential that one in particular be retained—one that is (of course) destined to enable the

Constitution now being drafted to meet the nation's needs at this critical stage of its history and of its economic and social development: namely, that no superparty group shall predominate over the other groups in order to dictate norms capable of imparting a definitive form to the document that is to be promulgated. Because the PMDB lacks unity, the Constitution of 1988 will either be the product of a democratic dialogue or it will not. Only such a dialogue will lead to an understanding capable of expressing a consensus opinion of future majorities which—without allowing themselves to be contaminated by the "v' us" of radicalism—will unite around the public interest in order to give the best of themselves to the nation.

10992/9604

Power Struggle Within PC do B Ranks Analyzed
33420076b Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 13 Mar 88 p 9

[Article by Rivaldo Chinem: "Party Leaders Do Battle and One Leaves"]

[Text] The battle for posts and power in the government has plunged the Communist Party of Brazil (PC do B) into an even greater crisis. This week, leader Jose Duarte resigned from the Central Committee because he disagrees with the line the party has recently pursued. Duarte, who is regarded by many members as "the PC do B itself," had reservations about the conduct of the president of the party, Joao Amazonas, and when the clash came, he lost out.

At 80 years of age, 64 of them spent as a party member, and with a record of 36 arrests, as a result of which he has spent a total of 16 years of his life behind bars, sometimes with such illustrious companions as Graciliano Ramos and Monteiro Lobato, this member of the Central Committee of the PC do B is a respected leader. Jose Duarte submitted his resignation from the CC and gave his reasons. "I disagree with the series of expulsions. Many people are being expelled—many, and I am not in agreement with this attitude."

Duarte makes an exception in just one case, that involving Antonio Barbosa Neto, alias "Barbosinha," who was expelled on charges of having committed errors. "There was a strategic mistake due to an error in assessment," according to leader Aldo Rebelo. Duarte believes that Barbosinha damaged party ethics through the formation of factions. "Our party does not allow the formation of groups. But I do not agree with the other expulsions, because the PC do B has existed for 66 years and has taught the need to combat injustices both within it and outside.

"I want to see the people in the streets, but the Central Committee of the PC do B is doing nothing. They say that one day the people will be mobilized. The party is one thing—individuals change, while institutions

remain," Duarte says with considerable irritation. As to the public posts the party has been demanding with ever greater insistence of the governments it supports, Duarte says: "There is no limitation or support on my part. I just think that my party should stand with the people and the national interests."

Luzia Monteiro Araujo, who was expelled in the most recent wave, together with the former leader of the National Students Union (UNE), Acildon de Matos, known as "Father," says that the PC do B will now be the party which says "yes" to everything. "Joao Amazonas went crazy—he no longer respects anyone. He wants to isolate the left wing of the party, represented by Jose Duarte, and he is preaching revisionism in the style of Gorbachev." The worst part of all this, in Luzia's view, is that those who do not agree with the party line are in the end expelled. "This happened in Parana—they were finished, and in Sao Paulo, as well, they did not elect anyone."

According to Luzia, who was the member of the party leadership responsible for maintaining contact with other political forces, including the government sectors, the PC do B, the party to which he belonged, is acting like Pantagruel, the fictional character created by Rabelais, who was never satisfied with what he ate, and always wanted more. "The PC do B only wants posts, it only wants to win government power, and for this reason, it allies itself with the government and will do anything." The crisis in the PC do B is very serious, say members who prefer not to be identified. And they cite, by way of a recommendation, what the party resolved when the Seventh Congress, scheduled for 7 May, was convoked. "The Congress provides a forum for an assessment and judicious critical and self-critical examination, from top to bottom, and covering all of the work since the preceding congress. But this must not be confused with retaliation or attacks on the leadership, the party or its line." When someone disagrees, the PC do B does as it did when Jose Duarte left. It adopts internal resolutions and publishes them in the bulletin A CLASSE OPERARIA. Duarte is accused, for example, of joining the antiparty group instead of staying with the party, and in the end, by so doing, rejecting the party and his own past struggles."

Members say that the crises through which the PC do B passes are debated internally, but the leadership does not like them to be discussed by people outside the party. "In this way the bourgeoisie takes advantage of our weaknesses," some leaders say.

The problems with the PC do B which are now being exacerbated in the battle for posts and power within the government derive precisely from the slaughter on Pius XI Street, in Lapa, in 1976, some militants say. This is because there was what they call "Lapagate," in a reference to the Watergate scandal, or more recently, the

Irangate affair, in the United States. This is because it is charged that one member, Jover Telles, told the organs of political repression about the meeting.

Setting betrayal aside, the truth is that this week Vitoria Grabois, the daughter of a long-time militant, Mauricio Grabois, who died in the guerrilla war in Araguaia, went to the headquarters of the regional office on Condessa Street in Sao Joaquim, and, to everyone's surprise, took away the framed photograph of her father which hung on the wall. "My father will not stay here—no, not on any account," she said.

The intention of the PC do B is to increase the ranks, which total about 10,000 today throughout the country, such as to reach 100,000 members by the date the Congress convenes. But some militants are not in agreement with this aim, claiming that a party is built on the basis of valuable individuals, not by merely adding to the numbers. "The PC do B is draining itself, or rather is growing in the wrong direction, and it will eventually be limited to a half a dozen leaders with Joao Amazonas at its head, and in the end, he will be speaking alone."

5157

Government Sets Goal of 4 Percent GDP Growth for 1988

33420076a Brasilia CORREIO BRAZILIENSE
in Portuguese 20 Mar 88 p 9

[Article by Luiz Roberto Marinho]

[Text] As compared with economic growth of 2.9 percent last year, the government will establish a goal of 4 percent for the increase in the gross domestic product for this year, despite the picture of decline in economic activity seen in the country in recent months.

Is this optimism? Technicians at the Ministry of Finance say no. According to their estimates, agriculture will again, as it was in 1987, be the locomotive in the forefront of growth in the gross domestic product, while industry, the greatest hindrance to better economic performance last year, will compensate for the stagnation on the domestic market with exports. This prospect is indicated by the excellent development of the trade balance during the first part of this year.

According to the estimates of Finance technicians, agriculture should at a minimum match the performance last year, when it showed a powerful increase of 14 percent. In the midst of a situation characterized by high rates of inflation, difficult control of the public deficit and a still undefined foreign front—all factors which seriously inhibit investments, they see agriculture as an oasis.

A major adviser at the Ministry of Finance is even counting on development in agriculture slightly in excess of that last year, mainly on the basis of the harvest development on the farming scene, in the Center-West in

particular. "In the two Mato Grosso sectors, the harvest should come to almost 6 million tons, and the harvest in Rondonia will also be very good," he says.

Industry, which had a laughable increase of 0.2 percent in 1987, will be saved from a negative rate this year by foreign sales, the Finance technicians predict. The development of the trade balance, which has seen two consecutive record monthly surpluses, with \$1.032 billion in January and \$858 million in February—traditionally weak months for exports, is a clear indication of this trend, they say.

In order to maintain this development, which means in practice the use of idle capacity resulting from the shrinkage of the domestic market, and thus the creation of jobs, the Ministry of Finance will step up studies in order to make it possible, in some cases, to convert the debt into investments for export projects.

The Central Bank has received applications for conversions into investments for exports totaling \$6 billion, but the Finance technicians have announced that only those applications involving products for which Brazil does not have a captive market will be approved. "It makes no sense to approve conversions for foreign sales of soybeans, but it is worthwhile to encourage conversions for the export of ships," one such technician notes.

Preparing the Ground

Basically, clearing the way for economic growth of 4 percent in 1988 involves a reduction of the public deficit. To this end, the Ministries of Finance and Planning will work unceasingly, one of these technicians assures us, to achieve a public deficit of about 4 percent of the gross domestic product—about 2 trillion cruzados—in 1988. This figure, if achieved, will be regarded by both ministries as a great victory, to the extent that it will represent a significant decline from the 1987 deficit of 5.4 percent of the gross domestic product, and above all, a figure below the potential 7.4 percent deficit this year.

Two important steps have already been taken in this direction. Resolution 1464 drastically limited loans to the public sector, which will only be corrected by the amount of the variation in the OTN from the December balances. Also, the Interministerial Council on State Enterprise Wages (CISE) has prohibited any wage increase at these enterprises in excess of the rate of inflation, thus using the payroll, as well, to influence the amount of their deficits.

Further steps still to be taken to affect the deficit, in addition to the day-to-day management of the treasury fund, include revision of the General Federal Budget (OGU) and the changes in the wage policy for federal employees, which will involve freezing the URP for 3

months, or applying a 50-percent reduction to such wages. These are the two most viable alternatives, according to the Finance advisers.

The revision of the OGU, the most recent version of which was based on a rate of inflation of 120 percent, which was totally unrealistic, will be completed by the end of this month, even though some of its categories will be totally outdated by that time, as a function of the high rates of inflation seen since January, a Finance technician admits. Once the revision has been completed, some few priorities will be chosen, and the activities not included therein will go on short rations until December.

The changes in the URP will depend on a political decision at the Planalto Palace which will not be made until after the Constituent Assembly has determined the length of President Jose Sarney's term of office. The presidential hesitation in approving the freeze for 3 months proposed by the Ministries of Finance and Planning has already resulted in a failure by the government to save 200 billion cruzados in deficit reduction.

If this measure had been approved at the beginning of March, as Ministers Mailson da Nobrega and Joao Batista Abreu wanted, the saving would have been 600 billion cruzados, while by April—if approval is obtained on the first of next month, which may not happen if the Constituent Assembly has not by then decided how long Sarney will stay in the Planalto Palace—the saving would only be a little more than 400 billion cruzados.

5157

Record Exports Forecast for Auto Industry in 1988

33420075b Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 17 Mar 88 p 29

[Report by Germano de Oliveira]

[Text] ABC—Exports of vehicles and automobile components this year should break all records in the history of the sector, earning revenues close to \$5 billion and consolidating their leadership in Brazil's schedule of principal export products. For vehicles alone (automobiles, trucks, buses, and tractors) and auto parts, exports will total \$4.8 billion, or \$400 million more than last year, which had already been a record for the national auto industry. Including other segments, such as tires, screws, and auto paints, the transportation material sector will account for more than one-third the exports of manufactured goods, which in 1987 earned \$15 billion for Brazil.

Vehicle assembly plants alone may reach the goal of \$3 billion in exports aided by the great rise in the value of the yen, which is hurting Japanese exports. Autolatina (Volkswagen and Ford) alone estimates revenues of \$1.3

billion from exports, according to the recent announcement of the president of Rolding, Wolfgang Sauer. The company's best sales involve the export of 80,000 units of the Fox (the Brazilian Voyager with mechanical and electronic modifications) to the U.S. and Canadian markets, in addition to 100,000 Passats to Iraq, a deal that is in the final phase, and cargo trucks to the United States.

Fiat will also increase its exports, which exceeded \$550 million last year, especially through the sale of 100,000 units of the Duna (the Brazilian Elba) to the European markets, especially Italy. According to Alberto Fava, the director-superintendent of the company, the Uno may also begin to be exported this year, further increasing the exports of that assembly plant. According to Andre Beer, the vice president of General Motors, that company is going to increase its foreign revenues from \$250 to \$400 million, with the marketing of 46,000 vehicles, compared to the 39,000 sold abroad last year. Within the next few days, the company will begin to ship 300 units of the Chevette and Monza to Jamaica.

The foreign market for the auto parts sector will also expand. The president of the National Auto Components Manufacturers Association (Sindipecas), Pedro Eberhardt, predicts a growth of 20 percent, with sales of \$1.8 billion broad this year. The manufacturers of parts and the assembly plants are counting on foreign sales to guarantee the growth goals of the national automobile industry this year.

8711/9274

Petroleum-Derivatives Consumption Down 7.2 Percent in February

33420075c Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 16 Mar 88 p 22

[Text] The national consumption of petroleum derivatives fell 7.2 percent in February compared to the same month in 1987, with a marked reduction of 17.2 percent in the consumption of fuel oil. According to PETROBRAS, there was also a 4 percent drop in the consumption of diesel oil, and an 18.8 percent increase in the consumption of liquefied petroleum gas (LPG) used in bottles for home use.

In February, the country consumed 1.019 million barrels of derivatives daily and the national production of 615,900 barrels was able to take care of only 60.4 percent of that total, forcing PETROBRAS to import the remaining 403,700 barrels a day. In February 1987, consumption totaled 1.137 million barrels a day.

Confirming the reduction of the pace of economic activity, the consumption of petroleum derivatives has been falling since October 1986, when PETROBRAS delivered 1.219 million barrels a day to the distributing companies. Of the total of 1.019 million barrels a day consumed in February, diesel oil accounted for 368,400 barrels, representing 36.13 percent of consumption. That

volume was 4 percent less than that consumed in February 1987 (397,300 barrels a day), and 15.73 percent higher than the same month in 1986 (318,300 barrels a day).

Hurt by the lower price of hydrated alcohol, gasoline—a product that once headed the national consumption of derivatives—reached its lowest level last February, with only 107,100 barrels a day, representing 10.40 percent of the total consumption of petroleum derivatives. The consumption of hydrated alcohol continues to rise, having reached 156,200 barrels a day in February compared to 29,900 barrels a day of anhydrous alcohol added to gasoline.

Out of Phase

In the last 3 years, while PETROBRAS' remuneration was corrected by 1,666 percent, diesel oil by 1,834 percent, and gasoline by 2,863 percent, including the compulsory loan, beer went up 3,466 percent, automobiles (Chevette SL) 4,479 percent, National Treasury bonds (ORTN/OTN) 2,882 percent, and the General Price Index/Domestic Availability (IGP/DI), 3,123 percent.

This study comparing the evolution of the prices of petroleum derivatives and alcohol and various indicators, from 28 February 1985 until yesterday, was released by the National Petroleum Council (CNP). It shows that the average price of petroleum derivatives to the consumers was readjusted by 1,989 percent during the period.

8711/9274

Investment Projects To Be Presented to Japan Identified

33420079a Rio de Janeiro O GLOBO in Portuguese
27 Mar 88 p 43

[Report by Cristina Alves]

[Text] Home of the largest community of Japanese immigrants anywhere in the world (a population of more than a million people), Brazil is becoming one of the most attractive destinations for Japanese capital. It is anticipated that this country might receive \$3 billion (340 billion cruzados) of the \$4 billion (452 billion cruzados) which the Japan Fund plans to invest in Latin America between now and the end of next year. This information comes from Koichi Inada, chairman of K. Inada Economic Consultants, one of the leading representatives of Japanese interests in Brazil.

The main complaint expressed by Japanese who want to invest in Brazil concerns the Brazilian Government's slowness in submitting industrial projects as candidates

for these funds. In addition, Inada recalls, the Japanese have conditioned the release of the money on negotiation of the foreign debt with the International Monetary Fund and the Paris Club.

In 1987, Brazil submitted 19 projects as candidates for Japanese financing. Soon afterward, however, the list was withdrawn for redrafting. Meanwhile during that same year, countries such as Singapore, the Philippines, Argentina, Indonesia, Turkey, Venezuela, Sri Lanka and others obtained a total of \$8.8 billion (995 billion cruzados) from the World Bank, Japanese Eximbank, Japanese commercial banks and the Overseas Economic Cooperation Fund.

There are several projects suggested by state-owned enterprises that will probably be included on the new list to be submitted to the Japanese Government. Many of these companies, such as Vale do Rio Doce, are already working with the Japanese. The principal projects that are likely to be on the next Brazilian list, along with their estimated values, are as follows:

Vale do Rio Doce

This proposal involves doubling the size of the Albras project (\$500 million, equivalent to 56.5 billion cruzados); expansion of the experimental titanium dioxide unit at Araxa (\$150 million, equivalent of 17.1 billion cruzados); construction of the Costa Lacerda railroad to transport the grain grown in the Cerrados region (\$100 million, or 11.3 billion cruzados); and a cellulose plant (\$500 million, or 56.5 billion cruzados).

Siderbras

Construction of an ingot casting unit at Companhia Siderurgica de Tubarao (\$70 million, equivalent to 7.9 billion cruzados) as well as overall expansion of this steel mill requiring investments on the order of \$2 billion (226 billion cruzados).

Eletrobras

Expansion of the Tucuruí electric power transmission line (\$87 million, or 9.8 billion cruzados).

In addition to the above projects, the list would include \$600 million (67.8 billion cruzados) in planned investments in irrigation projects throughout Brazil and part of the expansion of the Aracruz Cellulose project (also \$600 million).

Of the total \$3 billion for Brazil via the Japan Fund, 70 percent would be passed through Eximbank and 30 percent through the Overseas Economic Cooperation Fund. In the first case, the money would be made available through profitable industrial projects, especially in sectors that could improve the performance of the Brazilian trade balance, Inada explained.

With a view to increasing Brazilian exports, sectors associated with the production of steel, cellulose, pig iron and aluminum will be assisted. In the area of import substitution, one of the priorities will be production of fertilizer and several chemicals and pharmaceuticals. A third point relates to the infrastructure for improving the performance of the trade balance, an area in which investment of Japanese funds will give preference to transportation, telecommunications, and electric power.

The Japanese base their efforts on the assumption that they will recoup their capital in periods ranging from 10 to 20 years and earn interest at 6 percent per annum. Average profitability of the sectors is forecast at between 8 percent and 12 percent. The funds to be allocated to Overseas are aimed primarily at infrastructure projects.

Wary, and making their statements amid smiles and nods of the head, the Japanese, in contrast to other creditors, do not want to be the first to get into the conversion game, although holding 15 percent of Brazilian loans. Inada explained this by saying "You know how it is, the Japanese at this point prefer to sit on the fence. In general, they let the Americans go ahead of them, to see how things come out. If everything goes well, the first deals could be closed in July or August of this year."

To do that, the Japanese have the option of working through K. Inada (associated with Corretora Omega) or the Bank of Tokyo. The Japanese have already determined what projects they would select if the results of the first conversions are good. One of them would be the expansion of Companhia Siderurgica de Tubarao, in which Kawasaki Steel is already a partner with a 12 percent share. Two other projects are the expansion of Albras, in which a pool of 30 Japanese companies (set up as Nippon Aluminum Company) has a 40 percent share, and the expansion of Cenibra, in which 23 Japanese companies (as Japan-Brazilian Pulp, JPB) have a 49 percent interest.

Today, Japan is the second largest customer for Brazilian products. Its imports from Brazil totaled \$1.7 billion (188.7 billion cruzados) on an fob basis and exports have reached \$880 million (9.76 billion cruzados). Actually this is very little when you consider that in 1987 Japan had a trade surplus of \$100 billion (11.3 trillion cruzados), almost the equivalent of the entire Brazilian foreign debt.

12830

Central Bank Foresees Debt Conversion Tripling Foreign Investment

33420079c Rio de Janeiro O GLOBO in Portuguese
27 Mar 88 p 42

[By Nelia Marquez in Brasilia and Paulo Figueiredo in Sao Paulo]

[Text] The plan to convert foreign debt into risk capital should raise the level of foreign investment in Brazil to about \$1.6 billion this year, according to Central Bank

estimates. That would represent a growth of 255 percent in relation to the \$450 million registered in 1987. Of total anticipated investment this year, only \$100 would enter Brazil in the form of direct investment made without government involvement, i.e., independent of the conversion process.

The slowdown in direct investments is said to be one of the byproducts of the process under which foreign debt is converted at discounts whose rate depends on Central Bank appraisal. The rationale used by BC technicians to explain investor behavior is a simple one: If they can obtain cheaper money through conversion at a discount, there is no reason to look for expensive funds to use in making their investments.

Central Bank estimates, which have already made allowance for the projected effect of the conversion at a discount, indicate that Brazil might receive \$100 million in direct investments made without Government intervention, exactly the same volume as realized last year.

To this estimate of direct investment must be added the proceeds of the conversions made at a discount; Arnoldo Wald, chairman of the Securities Commission, CVM, predicts these may be as high as \$4 billion. Preliminary Central Bank estimates made early this year indicate that the conversion could be a little above \$1.5 billion, which would raise to \$1.6 billion the volume of foreign funds that will enter Brazil by way of investment.

Although the data on the balance of payments for 1987 are not yet ready, the first Central Bank estimates are that \$100 million in direct investments was registered in 1987. In addition, slightly more than \$350 million entered in connection with conversions of foreign debt into risk capital carried out under the old rules. These figures appear in the document on the Brazilian economy which the Brazilian Government is supposed to furnish to foreign creditors within the next few days.

The 1987 picture reverses a trend observed in prior years when the balance of payments recorded an outflow of funds, or disinvestment. In 1986, for example, net outflow was \$149 million.

Shell Prominent Among Major Transactions

The degree of interest in the concept of converting the debt into risk capital varies, both among the creditor banks and in the minds of the companies that are the potential recipients of the investments.

One point, however, is undisputed in this whole discussion: Negotiations between the creditors and the companies have increased and are likely to become even more numerous now that the flow of foreign funds into Brazil has been permitted to resume, something unknown in the Brazilian economy for at least the past three years.

Among the deals now in progress, the most conspicuous would certainly seem to be the one which Autolatina, the holding company of Volkswagen and Ford Brasil, is putting together: It involves \$200 million which the automaker acquired from Chase Manhattan Bank, Brazil's second largest creditor. The operation will be carried out under the Central Bank's old Circular 1,125, and will not require the discount. This is thought so far to be the largest debt conversion transaction ever made in Brazil, but market sources report that this record is about to be surpassed. The Sheil Group is only waiting for the final voting on the new Constitution before it concludes negotiations and converts the paltry sum of \$350 million.

The chairman of the Brasilpar Group, Roberto Teixeira da Costa, who has just finished obtaining subscriptions of capital for his investment company Equitypar—involving resources estimated at \$92 million to be used in assembling a diversified portfolio containing minority holdings in 25 or 30 companies—usually refers to this current phase in the Brazilian economy as the "Brasmotor effect."

What happened, Teixeira da Costa explains, is that Brazilian businessmen were greatly impressed with the success of the debt conversion operation completed at the end of last year by the Brasmotor Group—the holding company that controls Brastemp, Consul, and Semer—in the amount of \$50 million with five foreign banks (Barclays Bank, Banco Exterior da Espana, Canadian Imperial Bank, National Bank of Canada, and Bank of New Scotia).

What most impressed the businessmen, according to the chairman of Brasilpar, is that the five creditors agreed to pay a price for each share of Brasmotor that was twice the equity value of that stock, estimated in December at 490 cruzados per unit.

The chairman of the Rhodia Group, Edson Vaz Musa, admits that he is likely to use the conversion scheme to complete some of the investments he plans to make to build a new phenol and acetone plant at the Rio Grande do Sul petrochemical complex. That project would cost \$150 million.

"The most important result of these conversions is that they have led Brazil to assume its earlier, more open, position as regards foreign capital, so that now the country wants closer integration with the international financial community," Musa commented. He then went on to explain: "The rules the government established for the debt conversion clearly indicate that the era when the economic authorities took a hard line against a dialogue with the international community is over. Brazil was moving rapidly toward isolationism. There is an important aspect about conversion which has not been given much attention: as long as pace of negotiations between creditors and the companies is intense, there are bound to be new investment options in the future."

The chairman of the Dow Chemical Group, Ernesto Ramon, also confirmed his interest in participating in the conversion auctions. "We are studying the rules in greater detail, but I believe, in principle, that conversion is an important investment mechanism."

One thing is certain at Dow: The \$12 million now deposited in the Central Bank as a result of the payment of foreign currency loans under Resolution 432 will soon be redeemed under the conversion system, even if the company has to pay the discount required by the Central Bank in order to register the transaction.

12830

Population Growth Shows 2.1-Percent Decline in 1987

33420076c Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 20 Mar 88 p 25

[Article by Pedro Zan]

[Text] In 1987, Brazil had one of the lowest rates of population growth since the century began—2.1 percent. The growth is slower than in the past, but it will suffice to produce a population of 40 million inhabitants more than we have now by the year 2000. Today there are 141 million Brazilians in the country, but by the end of the century the total is likely to be 179 million.

This information comes from the IBGE. It pertains, for example, to the state of Sao Paulo, the metropolitan region—which accounts for 50 percent of all its inhabitants—and the capital. These are three distinct areas, which also showed a definite drop in their rates of population growth. But the decline was not sufficient to halt their growth.

The city of Sao Paulo is continuing to grow. It is today the fourth largest city in the world, outdone only by Mexico City, New York and Tokyo. But by the year 2000, it will be the second largest urban center on the planet, second only to Mexico City. Sao Paulo has practically no more room for expansion, and 98.16 percent of its territory is urban.

Calculations made by the State Data-Analysis System (SEADE) Foundation show that the population density in this state in the 1980s is 101 individuals per square kilometer. In Greater Sao Paulo, this figure rises to 1,583, and in the city, to 5,689 inhabitants per square kilometer. Despite its limited area for expansion, the population of the municipality has been increasing. The result is that Sao Paulo is today a vertical city, with a total of 45,000 apartment buildings.

There is a trend toward growth in the municipality, but it will not last long. Technicians at the SEADE Foundation, such as analyst Luis Patricio Ortiz of the Population Studies Office, believe that "In the medium time range, the Sao Paulo trend will be toward no growth."

Here, then, the expansion of streets and neighborhoods will only be possible through urban recycling or renewal, like what is happening in the cities of Europe and North America.

During the 1970's, the growth rate for the city's population was 3.67 percent, and it dropped to 2.84 percent in this decade. In Greater Sao Paulo, a similar phenomenon occurred. The population, which was growing at the rate of 4.46 percent in the 1970's, is now increasing at the rate of 3.29 percent. In only a decade, however, the number of inhabitants in this area leapt from 12.6 million to the present 16 million. Greater Sao Paulo is the largest metropolitan region in the country, exceeding many states in total population.

The decline in the growth rate had the least impact on the state of Sao Paulo, with its 572 municipalities. Like the city and the metropolitan region, the state has a declining birth rate, while its death rate is not very high, but migration continues to be very heavy. People from the Northeast continue to favor Greater Sao Paulo, while those from Parana choose cities in the interior, such as Sumare and Piracicaba.

In absolute numbers, the population of the state increased to 7.2 million inhabitants in the 1970's. In this decade, the increase may be even greater, to a total of 8.2 million persons by 1990, according to the SEADE Foundation. Of the 7.2 million new inhabitants in the 1970s, 4.2 million were the product of natural growth (the difference between births and deaths), while 3 million were added through the process of migration to the state.

The most recent state statistics show that in almost all the regions of Sao Paulo, the growth rate is dropping, Luis Patricio Ortiz says. However, this decline is not uniform. There are some cities with greater population growth than others have. And there are even some showing negative growth, for example Presidente Prudente. Other municipalities, such as Aracetuba, are again seeing positive growth in their population indices. Negative growth occurs mainly because of population transfers to other cities.

Women in Sao Paulo had an average of five children during the 1960s. By 1987 this average had dropped to 2.5 children. "Beginning at least 25 years ago, the birth rate has been declining again," says Laura Rodriguez Wong, a demographer with the SEADE Foundation. "This time, however, the decline is proceeding at a rate never seen before in the demographic history of the state."

On the basis of civil registry data, which coincided with the figures obtained in the national study involving a sampling of households, Laura Rodriguez reported what she calls the "rejuvenation of the human reproduction patterns in the state." In the 1970's, the average age at conception was 28.5 years, which dropped to 27.7 at the beginning of the 1980s and to 26.8 by 1987. The conclusion is that "These values show that conception is concentrating increasingly in the group of younger women."

In a general way, all women have been involved in this decline in conception. But this demographer points in particular to the young women between 15 and 19 years of age. While in the 1970's these young women accounted for less than 10 percent of the total number of births, they account for nearly 14 percent today. A greater role was also played in this connection by women between 20 and 24 years of age, while there was a reduction for the group over 30.

A decline in the rate of conception means a decline in the number of births. It was expected that by the end of 1987, 698,000 live births would have been recorded for the year—a lower figure than that reported for 1980, which was 722,000. With the reduction in the number of births, the government will have to revise its health and education policies beginning in 1990. Another effect will be a decline in the demand for jobs, this demographer explained.

Undecided Voters in Plebiscite Analyzed
33480092a Santiago APSI in Spanish
22-28 Feb 88 pp 16, 17

[Article by Veronica Neumann and Barbara Hayes: "In the Limbo of the Undecided"]

[Text] In this "year of decision" many Chileans confess to still being undecided. They waver out of fear, skepticism, uncertainty or confusion. Or else they do not know what they are going to be voting for. The chronic, opportunistic, guarded or chameleon-like fence sitters have their simple or conscientious doubts ("Maybe yes, maybe no; it depends on what they offer"), and then there are those who are undecided out of incredulity: "What for? It's all a farce, a big show."

It is a common commentary: "At first I planned to vote no. Later I became more concerned about politics and started reading the papers. Then nothing was clear to me anymore. So many claims are being made, about the constitution, for example. The opposition says that it is illegitimate, because when the vote was held, no one knew what they were voting for. I agree on that. But then I look and look and I don't feel that any political party represents me. Perhaps I sympathize more with the Christian Democrats, but they annoy me when they get involved with the Left. Besides, I think that the country has moved ahead in a lot of ways: you can see more building going on, the highways have improved...I don't want to go back to political hucksterism, I'm afraid of communism. Maybe if the candidate were a civilian, except Jarpa, I would vote yes, though I don't know who it could be and there's no one I like. In any case, I wouldn't vote for any rightwing extremist."

This 42-year old housewife, who like many other respondents declined to give her name, is completely undecided, and her views could today represent those of a major percentage of the population. According to the polls, the undecided segment of the electorate is hard to ascertain, and thus there is a great disparity in the numbers: 32.8 percent according to the Gallup company; 18 percent according to a poll conducted by Investigaciones de Chile; 30 percent according to a FLACSO [Latin American School of Social Sciences] study, and between 23 and 25 percent according to Diagnos surveys. The reason for the variations is that some firms regard as undecided those who reply "I don't know how I'll vote," while others also include those who say they will not vote or will cast blank ballots.

However large their numbers, the fact is that the people who have not yet made a decision exist and are "decisive" both for the interests of the government and for those of the opposition. It is to them that much of the government campaign, the chief of state's promises, the hairy arm campaign (which has already been rejected as anaesthetic) and the "There are millions of us" are directed. But the staunch no voters are also pinning their hopes on them.

Time To Think

There are many, varied reasons why people remain undecided. The ones most often cited: not having thought about it yet; waiting to have ballot in hand before deciding; registering first; gathering enough information; discussing it among the family or simply not bothering "because voting is a bother."

Humberto Correa, a bachelor and a foreign trade expert, acknowledges his doubts: "Do I vote yes or do I vote no?" He has his reasons and has thought long and hard about his position:

"My problem with either of the two choices is that they don't offer a solution for the lives, jobs and well-being of all Chileans. The 'no' people want to get out of this any way they can and will decide later how to manage. If they succeed, they will tear down everything that this government did, including the positive things, like the antimonopoly law, the commercial and tariff decontrol. On the other hand, the 'yes' vote represents a system that we have lived under for a good many years now, and I at least can't say that I agree with everything I've seen: underemployment, abuses of power, lack of freedom of expression...Then, I look back and see that there was always a lot of purposeless debate, with political colors, not individuals being defended. I ask myself: what are they proposing, what's new about this? The 'no' vote lacks substance."

Correa could be said to be assaulted by a conscientious doubt, as we can gather from the profile that psychiatrist Luis Weinstein draws of the undecided or wavering voters: "It is characteristic of a developed individual to have a certain capacity for doubt, so much so that the individual who is very intelligent channels himself into an obsessive personality, the hallmark of which is conscientious doubt. This stems from the tendency to weigh things with impartiality and rigor, which severely delays any decision." Is that saying too much about Correa's case? Maybe and maybe not.

Nonetheless, Weinstein feels that it is unlikely that the tendency to weigh matters and the rigor of thought that characterize conscientious persons are factors that will influence their decision in the plebiscite. "For the bulk of the population, the decision-making elements date back too far for them to be examining the facts only now. Almost all of them have experienced some of the effects of this government, and those who have not have enough information. All in all, people have had a chance to decide on a stand," Weinstein opines.

There are those who are still thinking the matter over conscientiously. Retired newsman Renan Valdes, seated on a bench in the main square, reflects: "Although it is true that I have challenged communism since 1940 as a member of the National Anticommunist Movement, I will also never be prepared to accept the authoritarian influence of the Right on the conscience of our people."

Besides, every exercise of power that tends to repress words, thoughts and actions is totally at odds with my ideas. Therefore, even though I respect the Armed Forces, I cannot say yes. Now then, a 'no' vote means backing a group of gentlemen from the opposition who have been unable to say what they have to offer. So then, I don't know yet how I'm going to vote. First I'll have to see what they do."

Fear of Fraud

"I'm afraid to decide. I suffered a lot because of the political hanky-panky during the UP days," says a traveling salesman. And a passerby on Ahumada Boulevard remarks: "On the other hand, I'm afraid that if you vote 'no,' they'll put 'yes.'"

In psychiatrist Weinstein's view, indecision manifests itself mostly in the fear of verbalizing one's own choice: "I don't think that there is anyone in Chile who is indifferent about Pinochet. The degree of polarization is very high. That's why I think that people are not taking a stand because they are afraid."

By and large, people are afraid not only of reprisals but also of the possibility that their preference in the plebiscite will not be honored. Some who are more radical even think that the very act of taking part in the referendum "legitimizes a fraud." One of them is dentist Claudio San Martin:

"Pinochet doesn't even need to take part in the political battle, inasmuch as he has all of the experience of the overthrow of other Latin American dictatorships and what happened in the Philippines. He won't make the same mistakes as his colleagues; he simply has to let the opposition wear itself out. I think it's a mistake to believe that the dictatorship will give away parcels of freedom so that the opposition can participate. The so-called political debate, the plebiscite and voter registration are just a big show, a show in which regrettably the opposition has agreed to appear."

And the dentist adds dejectedly:

"The people who say they are in favor of a 'no' were demanding Pinochet's departure in 1983 so that they could begin a dialogue with the Armed Forces and today they don't even remember. So, I won't be a party to this farce. If that is considered indecision, then I'm an undecided."

There are many more doubters like Claudio San Martin: those who are waiting for the rope to tighten around their necks or for their wives to decide first; the mystics who are awaiting a sign from the heavens, or just those who will always be tormented by doubts.

Television Election Programming, Reporting Viewed Critically

33480092b Santiago APSI in Spanish
22-28 Feb 88 pp 6-9

[Article by Vicente Parrini: "The Television Fraud"]

[Text] Over the past 14 1/2 years Chilean television has without doubt been the government's most important sounding board, as the regime has used it free from counterbalance to disseminate its ideology, discredit the opposition and project an image of the country that exists perhaps only in the mind of its promoters. Now, with the plebiscite imminent, the people in charge of the small screen do not seem willing to give up the role that has been theirs to play so far. The promise of an opening is becoming diluted amid insipid debates, promised lands, little Indians speaking of a new era and millions of individuals who in perfect harmony are supposedly building a new and irreversible Chile.

The press departments of the TV stations, under the guidance of the National Social Communication Division (DINACOS), are not doing a bad job either. As one specialist says, "the newscasts are a sort of national network camouflaged as providers of information."

Compounding this is a bill that the Executive Branch has sent the Legislature to regulate television in Chile; it will help to enshrine this discouraging panorama judicially. Hence, it is not overbold to assume that on the eve of the plebiscite the new law will be the springboard for television fraud.

Channel 11's program "Corrientes de opinion," which it was thought could bring back the political debate that was banned in September 1973, seemed to strike a note of hope among those who longed for a little bit of draft in their television chimneys. Three weeks after it debuted, however, the deceit had become obvious. Moderators known to sympathize with the government "direct" an apparently pluralistic debate, accompanied by followers of the regime who praise the work of the military and by a few representatives of certain opposition sectors, United Left excluded, who explain in a few short minutes their views on issues predetermined by the moderators and who for the first time in a long while have access to an audience that used to be off-limits to them.

The vice president of the Television Corporation of the University of Chile, Juan Pablo O'Ryan, and the director of information services and former head of DINACOS, Ivan Cordoba, have asserted that the program represents "an exchange of ideas, a respectful, university-level debate that addresses politics with a capital P." They take it so seriously that the program is recorded on Friday evening and not broadcast live, as was commonly the case with this type of program, so that it can then pass through the editing room, where the scissors loyally follow official criteria. They censored 8 minutes of Edgardo Boeninger's remarks on 31 January; Boeninger

is the former rector of the university to which the channel belongs and the current vice president of Christian Democracy. These 8 minutes included a response to Fernando Leniz and some criticism of the government's performance.

The bottom line, so far, has been favorable to the government. The opposition guests are chosen at the station's discretion, without consideration, in some instances, for their representativeness or talent for engaging in a debate before the TV cameras. The moderators go hand in glove with the promoters of the government's track record and, moreover, are assured of being able to manipulate the image afterwards and edit the remarks. Also, TV viewers are lured with an apparently broad-based debate that has enabled Channel 11 to increase its meager revenues; the advertising spots on the first program were sold in a day, and some interested parties even went on a waiting list. Furthermore, "Corrientes de opinion" has helped certain Pinochet supporters to be heard by a great many people who would hardly pay attention to their views and conjectures if they appeared alone on the screen. And it has also been useful to present the image that there is freedom of information in Chile, even though as a source in the channel's press department told APSI, a copy of the program is sent directly to LA Moneda so that certain officials can give it their approval before it goes on the air.

As for the creation of similar programs on other channels, the substitute press chief of National Television said that there had been no discussion of the issue, while the public relations office of Channel 13 reported that there had been nothing new, aside from the announcement by Juan Agustin Vargas, the adviser to the executive commission, who promised civic education programs by March. In any event, it was learned from high-level officials at this station that a series of programs that were in preparation were rejected for reasons that are still unknown.

The Same Old Sources

At the press departments of the TV channels the much talked about opening is nothing but a mirage. A person close to Channel 11's news services asserts that lately there has been some loosening up of censorship "to improve the quality of the product," but that there would be no radical change to allow for balanced coverage. "For the time being," he relates, "there is no orientation prior to the plebiscite, but for the first time in the history of the newscast some opposition leaders, from the Center-Right to Christian Democracy, are appearing as individuals with their own arguments, not just as symbols to be discredited."

The official we consulted acknowledges, in any event, that coverage of the opposition is minimal and that the sources of information remain the same as ever: the

government-run Orbe agency, which conveys the morning line by teletype; the news from the government-run radio stations; telephone "messages" from DINACOS, and certain articles from official newspapers.

As for the language that is permitted, says the source, "if the opposition statements are very harsh, they are tempered with euphemisms, or else the newsman makes a general comment in a voice-over on what this or that leader is saying." Image is not neglected either: "In coverage of a demonstration, for example, boys can be shown throwing rocks at the Carabineros, but never vice-versa."

At the Television Corporation of Catholic University, the working conditions are not very different. A person directly involved in the news area comments that "we have noticed a slight change as a result of the minor coverage being given to the opposition, basically Christian Democracy, which has a certain degree of influence at the channel." He relates that the people working there are somewhat frustrated: "At the moment we're in a bind, inasmuch as the press department does nothing that could cause it complications with the government, and we refuse to be public relations people for the ministries. In any case, the opening is somewhat noticeable: we're receiving fewer rebuffs from DINACOS because of the upcoming plebiscite, which is forcing them to look after their image."

He adds that although the channel takes a complacent line towards the government, there have been instances in which it has refused to broadcast news items from DINACOS. Not long ago the division sent them a filmed "confession" by three MIR [Movement of the Revolutionary Left] militants who were supposedly involved in the death of Carol Urzua (similar to that of young Karin Eitel), and the press chief refused to include it in the newscast because he felt that it had been staged.

As for the selection of news stories, he indicates that the tours or events involving Pinochet are an obligatory item but that they are presented descriptively to conceal their political campaign function. The source adds this odd piece of information as well: "Over the past 2 months, no one really knows on whose orders, an attempt has been made to improve the image of the Carabineros by reporting developments that are not news at all, such as a new telephone system for the radio patrols, or two or three cases of lost elderly people who have been found thanks to the computer services of the uniformed police."

In statements to a morning paper, Maria de la Luz Hurtado, a researcher at CENECA [Center for Cultural and Artistic Investigation and Expression] and professor at Catholic University, summarized the current situation of television as follows: "To varying degrees the programs of the different channels avoid addressing the realities of the country, unless it is for government

propaganda and indoctrination...In summary, television would have people believe that Chile is living in marvelous harmony, sullied only by terrorism."

The lack of balance in news is made evident by a comparative assessment of TV broadcasts and programs from January to December 1987 that was conducted by the Monitoring Commission of Christian Democracy. The document shows that the government's involvement and influence in political program content stood at 98 percent and that the opposition was allowed only the remaining 2 percent.

20 Minutes More

A month ago, the Executive Branch sent the Legislature the bill that will regulate television in Chile. It merely reaffirms the main variables of one-sided TV news programming subject to the laws of the marketplace for its financing; in other words, it judicially legitimizes the television practices of the past 14 years.

The bill consists of 25 permanent articles and 8 transitory ones. The latter regulate, among other things, TV advertising during plebiscites, in particular the one that will determine Pinochet's successor. The bill provides that TV stations must allow, free of charge and during the permissible period, 40 minutes a day of broadcast time to the propaganda for the plebiscite that will be held this year. The time will be allotted in equal parts between the person whom the commanders in chief of the Armed Forces propose, including the parties that support him, and the party or parties that oppose the candidate.

In short, passage of the bill will give the government another 20 minutes of propaganda, besides the time it has already had to report on its alleged accomplishments.

As various researchers pointed out in their book "Television en Chile: un desafio nacional" [Television in Chile: a National Challenge], which was published by the Development Studies Center (CED) and CENECA, the new law revokes all of the provisions, as set forth in Law 17,377 of October 1970, that promoted domestic TV productions and the participation of Chilean artists on programs and that assured a balanced, pluralist presence of the political community in this mass medium.

Furthermore, the researchers point out, all of the articles defining the objectives of Chilean and university television have been stricken. Thus, each station will define its values at its own discretion, which makes it impossible for citizens to exercise social control. They used to be able to call media officials to account in connection with the legally established goals.

The National Television Council, which will monitor compliance with this law, will be able, among other things, to regulate satellite TV broadcasts; issue regulations barring messages that are harmful to minors, and

warn, fine or suspend any TV station that violates "the law, regulations or proper morals." The penalties are harsh, and the procedures for lifting the suspension could take up to 40 days.

Another major feature of the bill is that it opens up the possibility of private TV networks. This marks the end of one of the most unusual models on the continent, under which TV was left in the hands of the universities and the government. CENECA expert Valerio Fuenzalida pointed out in this regard that television does not necessarily become participatory or democratic because it is in private hands, inasmuch as pluralism then arises only among those who have the capital.

There is also criticism of the makeup of the council, which is provided for in the bill. Attorney Ramon Briones, who belongs to the Christian Democrats' Monitoring Commission, feels that "it is an attempt to militarize politics by enabling the National Security Council to appoint two individuals to the Radio and Television Council." Moreover, he demands a clarification of whether the ban on propaganda outside the time periods established in the law also covers indirect publicity, "because otherwise this government will keep on putting out its seven-figure propaganda, camouflaged as broadcasts."

8743

Latest Inflation Figures Analyzed 33480099a Santiago HOY in Spanish 7-13 Mar 88 pp 26, 27

[Article by Edith Flores: "Keeping Pace With Price Hikes"]

[Text] On Wednesday 2 March, the National Institute of Statistics (INE) released figures that filled the economic team with pride: a CPI of 0.4 percent in February, and an unemployment rate of 7.7 percent for the quarter of November 1987 to January 1988, "the lowest recorded in the last 14 years."

A journalist immediately asked INE director Alvaro Vial about the discrepancy housewives note between these statistics and their daily experience.

"You're beginning to sound like my grandmother," said Vial. "She argues with me too, and she doesn't believe my figures."

Consumer skepticism is on the rise these days, when reports of low inflation are released as prices rise in two basic sectors: mass transit and bread.

If They Go Down, They Go Up

The contradictions are evident on all fronts. As soon as the National Petroleum Enterprise (ENAP) reduced the price of diesel fuel by 2.15 percent, in keeping with the fluctuations on the international market, the majority of bus owners raised their fares 20 percent, from 50 to 60 pesos.

Business leaders in this sector contend that the decision to raise prices was made individually, and they deny accusations of collusion.

Manuel Parra, president of the trade association of the Pedro de Valdivia-Blanqueado line, told HOY: "Each businessman sets his rates according to the costs he must pay. Petroleum may go down in price, but we also have to buy spare parts, and they come from Brazil."

Parra indicated that the underlying problem is that wages have stagnated, which prevents workers from coping with higher prices. He added, "Since the mass transit allotment was created more than 8 years ago, it has remained at the same level: 376 pesos."

Transportation owners' expenses are not limited to the labor component. The cost of living is also a factor in their decisions. Parra emphasized: "People forget that we are not big businessmen. We have expenses like everyone else. The fact that I own a transportation business does not mean that I don't eat bread."

But since last week, it has been harder for everyone to afford bread.

Bakers are afraid to "show their faces" to consumers because of price increases for which they feel they are not responsible. For this reason, the president of the bakery industry association in Santiago, Manuel Suarez, sounded the alarm a couple of weeks ago. He said that the prices of most ingredients have gone up, especially flour, which rose by 8.3 percent since the first of March. When the price of regular bread reached 110 pesos, the bakers had already confessed. The blame had to be placed elsewhere.

Controversial Brackets

What excuse have millers given? The manager of the Association of Millers of the South, who is also director of the wheat marketing firm Cotrisa, stated that wheat is in very short supply these days, in view of high demand by millers.

Last year the country had a record wheat crop, and a surplus of 2 million quintals. This, however, has not lowered prices, contrary to the blackboard lessons on the free market that prevails here.

Wheat production is one of the major exceptions in the current economic model, and one that has given officials the greatest headaches. It operates with price brackets (with floors and ceilings that depend on international prices) that give farmers a thick cushion to protect them from the ups and downs of the foreign wheat market, due to climatic effects and production volumes.

The current system took effect after the crisis of 1982, despite the harsh criticism of the "Chicago boys." "We have wheat surpluses to export, but at a lower price than it cost us to produce it," wrote economist and television moderator Alvaro Bardon last October.

"The Chicago gentlemen think the market is God. But the problem of bread, given its social importance, is a problem for the government, not the market," said Domingo Duran, president of the Confederation of Agricultural Producers.

In Duran's opinion, the bracket system is justified for two reasons: "First, anyone who provides import substitutes is as important to the economy as anyone who exports. Second, you can't leave to chance anything related to a country's food supply. Like it or not, there are two kinds of ammunition: guns and butter. It doesn't do much good to have a lot of war materiel if the soldiers don't have anything to eat."

The price expert at the Agrarian Research Group (GIA) of the Academy of Christian Humanism, Guillermo Fu, stated that the wheat policy was not developed with the real intention of promoting national production and meeting domestic demand. He pointed out that "the change was motivated by non-agricultural problems; it was important to generate and save dollars." Minister of Agriculture Jorge Prado himself notes that "since the implementation of the current wheat policy, the country has saved \$400 million through import substitution."

Fu believes that in this regard, agriculture did a good job of trying to solve a non-agricultural problem, although the policy peaked out very soon. The expert noted that high production, stimulated by good prices for farmers, has not been absorbed by demand because "there are no incentives through wages."

If It Were True . . .

Bread consumption to date has dropped by more than 15 percent since 1972, according to the Bakers Association of Santiago. Moreover, in 1970, with the equivalent of the minimum income that year, a worker could buy 258 kilos of bread for his family at today's price. In 1988, the same worker can buy only 100 kilos a month. The gap could be even larger, says economist Alvaro Garcia, author of the estimates, because the price of bread has gone up 3 times higher than other prices.

With regard to the low unemployment figure announced, 7.7 percent for the last quarter, Garcia stated, "It would be very good if it were true. But there is good reason to doubt it, because there are major discrepancies between the official data and the surveys conducted by the University of Chile, which continue to find jobless rates above 12 percent."

Vial at the INE denied that his agency manipulated the unemployment statistics to favor the regime's political campaign. Specialists and consumers alike are still skeptical, however, because the packages of economic measures have been pointing in that direction: lower tariffs to benefit exporters, renegotiation of payments for Serviu debtors, and more recently, the rescheduling of the productive debts of the Bank of the State.

On the economic front, March started out with a paradox: a CPI that fell by the same rate as prices have increased.

08926

Development Scheme for Escondida Copper Mine Detailed

33480099c Santiago CAUCE in Spanish
24-30 Mar 88 pp 18-19

[Article by Javiera Jimenez: "Copper Returns to Foreign Hands"]

[Excerpts] Australians, Englishmen, Americans, and Japanese, owners of the La Escondida copper mine in Chilean territory (Antofagasta), stood at attention for more than half an hour waiting for the arrival of Economy Minister Manuel Concha and Mining Minister Samuel Lira. Journalists, investors, legal advisers, and government officials squeezed into a small room to witness a ceremony at which documents were signed for a \$1.1 billion investment project. The project will provide the infrastructure for the mining of the largest copper deposit in the world.

La Escondida, located 3,000 meters above sea level on the altiplano of the Atacama Desert, will be an open pit mine. It comprises 662 million tons and has an average copper content of 2 percent. It will be in production by 1990, and has enough reserves to last 50 years. To give an idea of the magnitude of the mine, suffice it to say that it is a deposit of porphyritic copper ore measuring about 4 kilometers long by 1.5 kilometers wide, with a maximum depth of 400 meters.

The foreigners endured the long wait and discomfort with smiles on their lips. The largest unmined copper deposit in the world was coming to them at a minimal cost.

Minera Escondida Limitada is the result of a union of three transnational corporations: Utah International, Inc., owned by The Broken Hill Proprietary Company,

which holds 60 percent of the rights through its subsidiary Minera Utah de Chile, Inc.; Rio Tinto Zinc (English), with 30 percent of the rights through its subsidiary RTZ Escondida Holdings, which in turn belongs to RTZ International Holdings; and the Mitsubishi Corporation, Mitsubishi Metal C, and Nippon Mining Co., which operate through the Japan Escondida Corporation, owned by them, and which hold the remaining 10 percent interest.

Keith Wallace, president of Utah B.H.P. International, spoke on behalf of the foreigners. He related how in 1979 they began prospecting in the northern region of our country.

The Utah geologists found that the good conditions in the area would lead to the discovery of a copper deposit there. In addition, said Wallace, if the prospecting was successful, they could expect "reasonable and fair" treatment as foreign investors in Chile.

So far, they have had just \$90 million in expenses, and \$1.1 billion will be contributed by investors from the Federal Republic of Germany, Finland, and Japan. The latter will take the first copper concentrates to be produced by the mine in the next few years, in exchange for the financing which they will provide over a period of 3 years.

Wallace, trying to make a joke, stated that there was "a mini United Nations" set up around the La Escondida Mine.

The people in charge of the project foresee a promising future for our metal, and have indicated that to meet industrial demand there must be large, high-quality reserves already in production long before the industry's needs become apparent. Chile's mines are the cheapest to exploit, and the transnational consortium thinks it will make a profit even if the price of copper is just \$0.60 per pound of ore. At present the average annual value is over \$1.00.

Whoever Finds a Mine Owns It

Mining Minister Samuel Lira denied that signing this pact amounts to denationalizing our basic source of wealth.

According to him, the nationalization of the large-scale copper mining industry involved three firms that owned four deposits: Chuquicamata, El Teniente, Andina, and El Salvador. Also involved were the mining holdings owned by the former transnationals.

In his view, the Copper Nationalization Law covered only those firms, and no more. "Moreover," he asserted, "whoever discovers a deposit becomes its owner, as current legislation provides."

Thus, in exchange for the deposit which is included in the category of large-scale copper mining, "this 'mini United Nations' need only pay what the laws of the Regime provide for this type of business deal with foreigners . . ."

Natural Resources Belong to the People

Attorney Alejandro Hales, who is president of the Bar Association and a fervent defender of human rights, was minister of mining under the government of Eduardo Frei.

Hales maintains that it is not possible to neglect the state's role in connection with non-renewable resources:

1. Because of the control of the market 2. Because of the share in sales 3. For technological reasons

It is therefore important to assert the state's control over large-scale copper deposits, says Hales, who claims he is not against foreign investment "as long as it is in deposits that the state cannot exploit. In the case of La Escondida, Chile is in a position to mine it. We should recall that thus far, the foreign owners have invested only \$90 million."

The former minister under President Frei complains that the extra profits earned as the price of copper rose have not been used to develop the sector. "In fact, no one knows what that money was spent on, and it would be a good idea to find out."

He also recalls that during the period of "Chileanization," the state not only levied taxes on the profits of the large mining corporations, but also devised the concept of the surcharge.

According to this scheme, if copper exceeded \$0.40 per pound, 54 percent of the extra profits went to the state. If the price went above \$0.50 per pound, the treasury would take 70 percent of the surplus.

Things have changed today. The Military Regime, formerly nationalistic, is gratifying the foreigners by turning over the country's wealth to them.

The copper concentrates from La Escondida will be shipped out of a port to be named Coloso, located near the mine some 20 kilometers south of Antofagasta. The port will be able to handle ships with a draft of up to 12.5 meters, that is, 40,000-ton vessels, and the loading system will have the capacity to place 1,000 tons an hour on board the ships. La Escondida also contains gold, silver, and molybdenum, in addition to copper.

Voting Patterns of Women Studied 33480099b Santiago HOY in Spanish 7-13 Mar 88 pp 13-16

[Article by Gabriela Meza and Maria Irene Soto: "Why They Vote as They Do"]

[Excerpts]

[Question] Are you interested in the plebiscite?

[Answer] Of course I am.

[Question] Are you in favor of the "yes" vote?

[Answer] By all means.

[Question] Are you happy with the government?

[Answer] Yes, I am happy because I have food on the table, a roof over my head—I have everything I need.

[Question] But haven't you heard that there is a lack of freedom?

[Answer] I don't like freedom. Nor do I like those loose women who run around so much. I'm not that kind. I like to look after my family, take care of my daughters, my home, and not worry about the rest.

Married, with two daughters, this 46-year-old woman appeared to have everything down pat. Leaning against the doorway of her home in the La Pincoya district in Santiago, she answered HOY's questions about the plebiscite. All she asked was that she be allowed to remain anonymous.

This modest resident of a low-income neighborhood almost perfectly fits the description of what sociologists and researchers call the prototypical woman who will vote "yes" in the plebiscite. Housewives over 40 with a low socioeconomic and educational level are the hard core of President Augusto Pinochet's support.

The survey conducted in November of last year by the Center for Studies of Contemporary Reality (CERC), covering the area between Arica and Puerto Montt, found that women over 46 years of age will vote "yes."

According to the figures, 15 percent of those between 46 and 50 years of age support Pinochet. Only 11 percent plan to vote "no." The differences increase along with age. Among those older than 50, 31 percent stated they would vote "yes" and only 13 percent responded "yes."

Women Who Vote "Yes"

Electoral expert Eduardo Hamuy explained to HOY that "women as a whole at present favor a 'no' vote. The dictatorship is supported only by mature and elderly women, while young women oppose it."

In spite of this, there is persistent concern among the opposition, because the majority of those who intend to vote "yes" are women. Men express different opinions.

Another poll conducted jointly by the Development Studies Center (CED), the Latin American Institute for Transnational Studies (ILET), and the consulting firm Profesionales Consultores (SUR), yielded similar results. In four cities, Santiago, Talca, Chillan, and Temuco, men planning to vote "yes" accounted for 15.4 percent; 33.9 percent of the men said they intended to vote "no." On the other hand, 20.4 percent of women planned to vote "yes" and 21.5 percent reported a "no" vote.

Attorney and sociologist Rodrigo Bano of the Latin American School of Social Sciences (FLACSO) told HOY that "in all countries of the world, when surveys are conducted the female vote is further to the right than the male vote." He explained that what differentiates women in their voting choices "is employment."

According to some studies, as women become integrated into the world of work, their political positions tend to come closer to those of men. When asked by the FLACSO about their preferences with regard to democracy, 48 percent of housewives stated that it is "always preferable," while 62 percent of non-housewives chose that alternative.

The opinions of women, who constitute more than half the population in Chile, take on more importance as the plebiscite draws nearer. This situation also affects the way that International Women's day will be celebrated on 8 March. This year, the celebration will have a variety of implications: Some sectors will promote voter registration, others the "no" campaign, while the most radical left will issue appeals to "defeat fraud."

Memories of 1973

The analysis of women's voting behavior reveals that between the 1950s and 1970, women always opted for the political center and right. After Gen Carlos Ibanez del Campo came Jorge Alessandri (1958) and Eduardo Frei (1964), who were preferred by women. In the case of Salvador Allende, only 30.5 percent of women voted for him. The majority of women preferred Alessandri (38.4 percent).

President Pinochet has capitalized on women's political inclinations very effectively. According to him, it was women who pushed him into carrying out the "action of 11 September 1973." In August 1986 he recalled this when speaking to representatives of women's neighborhood groups:

"Thanks to women, Chile is free today, because it was you women who inspired the movement of 11 September."

The allusion was clear. Among the many protest demonstrations against the government of President Salvador Allende, the "march of the saucepans" went down in history.

The threat of chaos, always lying just beneath the surface in Gen Pinochet's speeches, is the greatest fear of women. The group most sensitive to this message is in the lower strata, according to Giselle Munizaga, the sociologist who serves as director of the Center for Cultural and Artistic Investigation and Expression (CENECA):

"They are also susceptible to authoritarian discourse, because they have less capacity for freedom and less independence. In extreme poverty, the 'castigating father' is the only possible figure."

"Saved Homeland"

This sociologist, who has carefully studied Pinochet's speeches to women, maintains that he has formulated a theory which she calls the "saved homeland" to explain his actions and legitimize the events of 11 September.

Giselle Munizaga claims that Pinochet is convinced—and he reiterates this in his addresses—that the homeland, which he refers to with the feminine gender, became ill during the Popular Unity government. He blames "male politicians" for allowing the "Marxist cancer" to take root. The only people who remained pure and free of blame, he argues, were women, the ones who called in the military to save the homeland.

From this point of view, the role he assigns women is not a political one. That remains in the hands of "gentlemen politicians." Women's mission is limited to their natural sphere of influence: the home, family, and children.

In this context, according to FLACSO's study on "The Disciplining of Women," the regime's policies are devised by two key agencies: the Mothers Centers (CEMA) and the National Secretariat of Women. They make up the "army of volunteers" that is headed by the president's wife, Lucia Hiriart de Pinochet.

According to Giselle Munizaga, these volunteers are supposed to "serve as agents of ideological propaganda for the military program."

The indoctrination effort is carried out by the National Secretariat of Women, which was established on 17 October 1973. At its 10th anniversary in 1983, it recalled its objective: "to provide a broad channel for action by women, who with such selfless dedication and responsibility had participated in the struggle for freedom in Chile during the Marxist era."

Sociologist and researcher Maria Elena Valenzuela, who wrote the book "We Were All Going to Be Queens: Women in Military Chile," explained to HOY how volunteer work came about. The majority of volunteers

are women from the middle and upper classes who "have paid domestic help." Moreover, "they are the wives of military officers or civilians with high government posts." Their principal task is to disseminate "the principles of the regime" by giving talks.

Pinochet, "a generous man who is protective of women," in the opinion of Maria Elena Valenzuela, "has intelligently aimed his campaign at women." This contrasts with the "silence" of opposition politicians, who have left "the way open for Pinochet." She added that "women who oppose the government," for this very reason, are "invisible." This is all due to the fact that the opposition has not incorporated women's concerns into its demands. In addition, she said, "it is not out to win the female vote."

Nevertheless, women in the opposition say they have made themselves known. Motivated primarily by human rights violations, they formed the Groups of Relatives of Disappeared Arrest Victims, Executed Prisoners, and Political Prisoners. Then, with the economic crisis, they organized community soup kitchens and cooperative shopping programs such as "Buying Together."

The proximity of the plebiscite also gave rise to new organizations, such as Women United for Free Elections (MIEL), and the Leftist Committee for Free Elections (CIEL), which also has a female wing. After a period of relative dispersal, it appears that women are coming together again.

On Thursday 3 March the Coordinating Committee of Women for "No" was formed, made up of representatives of 15 opposition parties. The group's statement of purpose indicates that in addition to continuing to struggle for free elections, it intends to become a forum where women can discuss proposals for democracy that include their own demands.

The purpose of this organization is also to attract the attention of women over 40 who are housewives of a low socioeconomic level and who are assumed to favor a "yes" vote.

08926

Colombian Press Review

33480113 [Editorial Report] The following collection of extracts was drawn from various Colombian press sources. If further FBIS processing is planned, a note to that effect follows the source line. No. 2 in a series.

Guerrillas Reject Reform—In a statement prepared during the group's second general conference, members of the Simon Bolivar Guerrilla Coordinator have rejected the government's proposals for institutional reform. Instead, the Coordinator favors reforming the constitution in order to establish a 'new democratic and popular government' which would promote redistribution of land and would provide adequate housing for the urban poor. The SBGC further stated that they would promote this type of reform not only through strikes and regional marches, but also through military measures. [Bogota EL TIEMPO in Spanish 5 Apr 88 p 10A; full text to appear in JPRS Latin America Report]

Robberies Provide Guerrilla Income—According to investigations by Colprensa [Colombian Press Agency], the Agricultural Credit Bank has lost over 243 million pesos through robberies by criminals and insurgent groups. From January 1985 to March 1988, branches of the bank throughout the country were robbed a total of 41 times. Twenty-nine robberies have been attributed to six insurgent groups: EPL (9 robberies), ELN (8), CNG (6), FARC (4), Quintin Lame (1), and M-19 (1). The region most affected is Antioquia, where 12 robberies have taken place. [Medellin EL COLOMBIANO in Spanish 3 Apr 88 p 3A; full text to appear in JPRS Latin America Report]

Narcotics Earnings Down in Caqueta—According to regional sources, the earnings from coca cultivation in the Caqueta region are at their lowest point in years and are no longer sufficient for the FARC to adequately maintain its XIV and XV fronts located there. The same sources also report that the most recent cocaine harvest was sold at a loss, due in part to lower coca prices in Peru

where new, cheaper production methods are being used. Production costs for coca production in Caqueta allegedly have increased significantly due to speculation by contraband sellers. [Bogota EL ESPECTADOR in Spanish 2 Apr 88 pp 1A, 10A]

El Cerrejon Losses Detailed—According to Hernan Martinez Torres, president of Intercor, the company lost approximately \$12 million (3,300 million pesos) through worker strikes during recent labor negotiations at El Cerrejon. Martinez Torres stated that there were 22 strikes against the company which forced it to cease operations for 75 work hours. The labor agreements reached provide for a 25% wage increase during each of the next two years of the agreement. [Medellin EL COLOMBIANO in Spanish 31 Mar 88 p 1A]

Social Conservatives on Mayoralties—The Social Conservative party has requested that the date on which new mayors take office be advanced. According to Gabriel Melo Guevara of the National Directorate, the party favors this because of reports that current mayors are allegedly pilfering from the tax receipts of their municipalities. [Medellin EL COLOMBIANO in Spanish 31 Mar 88 p 1A]

Mining Sector Boosted—The government has announced new economic measures designed to assist the mining industry in Colombia. The measures include lowering the VAT on gold and emeralds from 35% to 10%, revising the mining code, and opening new lines of credit for small mining companies. The announcement was made by Minister of Mines and Energy Guillermo Perry Rubio, who added that Colombia had, through a program of cost reduction, succeeded in lowering its unit production costs from \$34/ton in 1987 to \$27/ton in 1988. [Medellin EL COLOMBIANO in Spanish 29 Mar 88 p 7A]

Recent Political, Economic, Social Developments

32480105 [Editorial Report] The following items have been abstracted from reports published in various issues of the Spanish language press in Costa Rica, as indicated. Number 4 of a series.

Number of Nicaraguan Refugees Increases—Minister of Government Rolando Ramirez stated that the Administration is concerned with the recent influx of refugees from Nicaragua, whose number is rising. On 14 March, 118 Nicaraguan women and children refugees, some of them wounded, entered the country by way of the Sarapiquí border post. According to Minister Ramirez, the nation's policy towards refugees remains an open one, but the same is not true for illegals. He went on to explain that the wounded will receive the treatment they need, while former combatants will be immediately deported to a country that will take them, since the government remains neutral in the Nicaraguan conflict. [San Jose LA REPUBLICA 16 Mar 88 p 10]

Consumer Price Index Rises—The consumer price index rose 3.82 percent in February which, when combined with the 1.54 percent rise in January, adds up to an inflation rate of 5.36 percent thus far in 1988. Finance Minister Fernando Naranjo has sought to explain to workers the connection between higher salaries and inflation, and has appealed to business owners to make an effort to reduce price increases. [San Jose LA NACION 30 Mar 88 p 5A]

Coffee Harvest Exceeds Expectations—To date, the coffee harvest, which has produced 3.12 million sacks, has exceeded projections, according to the Coffee Institute [ICAFFE]. Some 1.71 million 46-kilo sacks of last year's harvest have been sold at an average price of \$115 per sack. [San Jose LA NACION 18 Mar 88 p 4A]

Finance Bill Approved—A special committee unanimously approved a bill to modernize the nation's financial system and which is considered to be unique in Latin America, according to committee member Rose Marie Karpinski. The bill states that finance firms that defraud investors will receive strict penalties. Punishment for individuals found guilty include prison sentences of 2 months to 3 years for fraud under 5,000 colones, and prison sentences of 6 months to 10 years for fraud over that amount. The bill also contains changes in the Central Bank's structure. [San Jose LA REPUBLICA 26 Mar 88 p 6]

Switzerland Donates Funds for Housing—Switzerland's ambassador signed an agreement with Minister of Housing Fernando Zumbado which donates \$50,000 to build 25 residences in Margarita, Talamanca, an area that was seriously affected by floods a few weeks ago. The funds will cover costs of construction materials. [San Jose LA REPUBLICA 16 Mar 88 p 34]

Italian Loan for Water Projects—The Italian Government has loaned 110 million colones at low interest to be used in the construction of wells and aqueducts in the province of Heredia, according to representative Hilda Gonzalez. [San Jose LA NACION 31 Mar 88 p 18A]

\$7.5 Million in Finnish Credits—Foreign Minister Madrigal Nieto and Finnish Assistant Secretary for Development Kar Helenius signed an agreement for \$7.5 million in credits to Costa Rica which will be used by the Ministry of Public Works and Transportation and the National Insurance Institute to purchase machinery. [San Jose LA NACION 19 Mar 88 p6A]

New System Eases Imports of Raw Materials—The Central Bank has approved a system that will allow exporters to use a percentage of foreign currency income from exports to pay for raw materials used in production. Companies which exported a minimum of \$500,000 in fiscal year 1987 will be permitted to participate in the program. Participants must be exporters of nontraditional products to markets not including Panama and Central America. [San Jose LA REPUBLICA 16 Mar 88 p 12]

1988 Economic Outlook Analyzed
32480099 San Jose LA REPUBLICA in Spanish
6 Mar 88 p 6

[Article by Wilmer Murillo]

[Text] This year is a challenge for the government's economic team: On the one hand it must comply with an agreement with the International Monetary Fund (IMF), and on the other hand it must face the political factor. In practical terms, the country is just 10 months away from the heat of the election campaign.

Here is an analysis of the economy in 1988, based on the criteria used by the firms *Consejeros Economicos y Financieros (CEFSA)* and *Consejeros Economicos y Legales (COUNSEL)*.

In view of this situation, the economy as a whole has the following characteristics: an inflation rate of between 12 and 14 percent a year, rising interest rates in response to a more competitive market that will face major liquidity problems, and a very tight credit program dictated by the circumstances and by the controls imposed by creditor organizations.

The external situation, in turn, is no more promising; one of the objectives of the present period is to reduce the overall amount of imports. We must bear in mind that a high percentage of the raw materials used in the production of so-called "non-traditional exports" are imported.

As for the country's public finances, the situation is less tense. Although a significant sum will be received in the form of taxes, the "surplus-generating" units of the

non-financial public sector will account for an even greater contribution. They will manage to reinforce their positions, partly due to the proposed increases in rates for services this year, some of which have already taken effect.

The indicator of economic activity, the GDP, will be 2 to 3.7 percent higher than the 1987 level. In the sector-by-sector breakdown, it is believed that agriculture-livestock will grow slightly (0.8 percent), primarily as a result of the production of traditional goods such as coffee, bananas, and basic grains like rice.

Industrial production, on the other hand, will feel the effects of the loss of consumer buying power, as will the commercial sector. Because the tax burden has increased and prices have risen, these two sectors will grow by only 4 and 5 percent, respectively, compared to 5.2 and 5.9 percent in 1987. The construction sector will continue to show the dynamism it exhibited last year, given that this is one of the government's main objectives. Housing financing will be strengthened by contributions from the Housing Mortgage Bank and by the Popular Bank.

The rise in the consumer price index will be between 12 and 14 percent, as a consequence of pressures on the rates for public services and the effects of the minidevaluations. Nevertheless, this growth rate is smaller than it was last year, thanks to the economic policy of containing liquidity.

Whatever happens in the economy's monetary sector will be determined, to a great extent, by the performance of the balance of trade. This is particularly true with regard to imports of goods, one of the objectives set forth in the pact with the IMF. In 1987, total liquidity increased by 12 percent, and domestic credit expanded at the same rate. The level of liquidity for 1988 could rise by 9 to 12 percent, while total domestic credit will grow

by 10 to 12 percent. In sum, 1988 will be characterized by a restrictive monetary policy that will depend, to a greater or lesser extent, on the results of the balance of payments.

The outlook for public finance is more favorable than for the other aspects mentioned. With regard to spending, it will grow in accordance with the provisions of the agreement with the IMF. That growth target is 10 percent, while current revenues are expected to rise by approximately 20 percent. As a result, the central government's deficit should shrink substantially compared to 1987 (to 1 percent of the GDP, as opposed to 2.2 percent in 1987).

The balance of payments situation was not satisfactory at the close of 1987, as goods and services imports soared in response to the excess liquidity observed in late 1986 and early 1987. The monetary authorities' efforts to reduce liquidity were not enough, and by the end of the year there was a trade balance deficit of approximately 140 million colones. Exports are expected to behave more dynamically in 1988, and imports should decline by about 2 percent with respect to 1987. Thus, the trade deficit should shrink by 65 to 75 percent in relative terms.

The policy of minidevaluations will continue as one of the tools used by the Central Bank to stay within the limits imposed by its creditors. Experience has shown, however, that this variable has not been a major factor in the adjustments of the balance of trade because the rate of imports and exports can vary depending on their components (which are factors in the elasticity and exchange rate of supply and demand). Therefore, the devaluation rates are expected to range between 10 and 12 percent by the end of the year.

08926

1987 Performance in Nuclear Sector

32480097b Havana GRANMA in Spanish 30 Jan 88 p 2

[Article by Jorge Petinaud Martinez]

[Excerpt] The workers and students of the nuclear sphere in 1987 became active coparticipants in the policy outlined by Fidel and the Party for the purpose of achieving the proposed objectives with the organized participation of the masses. They worked responsibly and devotedly.

The above was reported at the Annual Evaluation Meeting of the Executive Secretariat for Nuclear Affairs (SEAN), held yesterday in the theater of the Maximo Gomez Academy. The meeting was chaired by party and government leaders, members of the Atomic Energy Commission of Cuba (CEAC) and of the SEAN Executive Council, and officers of the Revolutionary Armed Forces (FAR).

This event marked the conclusion of a process that was begun in each department, center, and area, where the achievements and deficiencies of the period were critically analyzed.

The report on the SEAN's work was read by Conrado Capote, vice secretary. He mentioned the most important results of the scientific-technical research, nuclear safety and radiological protection, the education and training of specialists, and other accomplishments in organizational and safety activities. He also covered the principal deficiencies and ways of resolving them.

In his concluding remarks, Fidel Castro Diaz-Balart, CEAC executive secretary, emphasized the progress made in state safety inspections of nuclear facilities, in the quality construction of the Juragua nuclear power plant, and in SEAN investments. These investments include the newly opened computer center that is equipped with a modern Soviet EC-1061 computer, and the Center for Applied Nuclear Development Studies, which has fulfilled its first objectives in the research field despite the great construction effort that was required.

Other objectives that were given considerable attention in 1987 were the Nuclear Research Center (CIN) and the development zone near it. The measures taken in this area, explained the CEAC leader, will make it possible to begin operating the first part of this facility by 1991.

Fidel Castro Diaz-Balart also emphasized the conversion of the School of Nuclear Science and Technology at the University of Havana into a Higher Institute associated with the SEAN, thanks to the high degree of development attained there.

Strategy for Developing Electronics Industry Explained

32480097d Havana GRANMA in Spanish 3 Feb 88 p 3

[Commentary by Roberto Paneque Fonseca]

[Text] Cuba has a plethora of reasons to undertake the accelerated development of its electronics industry.

For many years certain people had the pessimistic view that our country should not take on such a difficult task in an industry dominated by Japan and other industrialized nations. They argued that it was preferable to expend our energies assembling equipment with imported components, rather than doing research, development, and production here.

In 1975, the 1st Party Congress called for studies to be conducted for the purpose of establishing our own electronics industry on the basis of socialist cooperation. In 1976, a development plan began to take shape.

It is obvious that to shift the country's orientation from a single agricultural crop to automated industry, an essential element is the electronification of the national economy. In addition, its society must be developed, given the advantages of the electronics industry and its repercussions in all spheres of the country's life.

The electronics industry is characterized by the low cost of production and of the main raw materials, extremely low energy consumption, high returns on investments, and the considerable value added of the final product.

Moreover, there are prospects for a broad market. This is especially true within the socialist community, as these countries are now beginning to step up the development of their national electronics industries.

The USSR, GDR, Bulgaria, Hungary, Czechoslovakia, Poland, and the other members of the Council for Mutual Economic Assistance (CEMA) are now giving top priority to electronification. Their institutes and factories are beginning to substantially increase their demand for some products that involve computer technology.

In the context of the international division of socialist labor, Cuba has been assigned the role of producing keyboards and video terminals (displays), which are connected to computers so that human-machine interface can take place.

While it was stated above that Cuba has decided not to become an assembler of equipment with imported components, it should be noted that becoming a specialist in the production of these components will require indigenous research, development, and production, right here in Cuba, in order to minimize imports of the elements

that go into keyboards and video terminals. Furthermore, each year these products must become more integrated in our national economy.

Development Strategies

As these goals are achieved, new factories will be built in areas with high concentrations of manpower. Thus, it will be possible to put these regions on an equal footing and to balance the levels of development in the territories. Priority will be given to hiring female labor on a large scale, as women play a decisive role in these tasks that require great manual dexterity, above all.

The development of the national electronics industry should meet national demand for consumer products (televisions, radios, tape recorders, batteries, and others) and for computer, communications, instrumentation and automation technologies.

Given the country's current economic situation, however, and the need to make payments in kind for loans in hard currency and socialist country currencies, it will be imperative that we give priority to exports. This poses a dilemma for the country: to consume or to export?

This is not just a slogan, but a law of the electronics industry that means that production is profitable only if hundreds of thousands of units are made, in most cases.

The answer is both, but how can we achieve this? By incessantly increasing the productivity of labor, with quality levels that meet worldwide standards. Only in this way will we be able to win the electrification battle.

08926

First Domestically Produced Microchip

32480091a Havana GRANMA in Spanish 22 Jan 88 p 2

[Article by Roberto Paneque Fonseca]

[Text] Young specialists at the Central Institute for Digital Research (ICID) have just designed the first integrated microcircuit to be developed completely in Cuba. They have accomplished this after just 6 months of work, during which they managed to place 1,800 transistors on a silicon chip that measures 7 square millimeters.

The Logichip, as it has been dubbed, is a microcircuit that is used in LogiCID electronic equipment. This equipment is utilized to conduct an analysis of the logical status (the 0's and the 1's) that computers use to store information in their memories.

The LogiCID used to have 21 integrated circuits; with the new device, this total has been reduced by 32 percent, to 7 or 8. The number of passive components (resistors and diodes) has been reduced by 50 percent.

Characteristics of the Logichip

This microcircuit that has been developed in Cuba (Bulgaria produced the first prototypes) has made it possible to halve LogiCID's consumption of electricity, from 3 watts per hour to 1.5 watts per hour. At the same time, it has multiplied the number of functions and substantially simplified the complex mathematical operations.

The first Cuban microcircuit was developed by Antonio Cerdeira Altusarda, Jose Folgueras Mendez, and Rafael Almeida Verdaguer, all specialists in the Microelectronics Department of the ICID.

08926

Oil Refining Figures for 1987

32480097a Havana GRANMA in Spanish 1 Feb 88 p 1

[Article by Joaquin Oramas]

[Text] The country obtained its highest levels of crude oil refining in 1987 by adding to the capacity of the Hermanos Diaz refinery in Santiago de Cuba, and by fulfilling the plans for the run at the Nico Lopez refinery in Havana and the Sergio Soto refinery in Cabaiguan.

Although it was not possible to obtain the results set forth in the initial production commitment, the workers at Combine 2, which is what they call the addition to the Santiago refinery, processed 300,000 tons. This figure was 150,000 tons below the target, because of the days when the plant was shut down due to the failure to coordinate shipments and the lack of fuel extraction.

The expansion of the Hermanos Diaz plant was carried out with the material and technical cooperation of the Soviet Union. The new facilities are operating efficiently.

In addition, Combine 1, the original plant at Hermanos Diaz, fulfilled its plan by refining a total of 230,034 tons of crude. At Nico Lopez, 3,934,100 tons of crude oil was processed during the same period, while the runs at Sergio Soto exceeded the yearly plan of 258,900 tons by 4,900 tons.

Among the most important results obtained in the economic management of the oil refineries is the execution of the maintenance work scheduled for all the plants. These tasks were carried out in fewer days than anticipated. At the same time, there were greater yields in the so-called clear products (gasoline) and the medium products (kerosene and diesel).

In addition, it should be noted that the fuel distribution personnel made a great effort to alleviate situations that arose due to the lack of spare parts for small cars and trucks and the limited supply of tires for these vehicles. The drivers, assistants, and mechanics worked twice as

hard during peak distribution times, especially at the beginning of the sugar harvest, to make sure the fuel reached the sugar mills, factories, service centers, and gas stations.

08926

Honey Production Down for 1987

32480097c Havana GRANMA in Spanish 1 Feb 88 p 2

[Article by Raisa Pages]

[Text] The plan for gathering bee honey and beeswax has always been fulfilled in the last quarter of the year. About 40 percent of production depends on flowering behavior at this time of year. The end of 1987 was very bad in this respect, due to climatic influences that have had an adverse impact on the areas of production assigned to the Cuban Beekeeping Enterprise.

The blossoms of the so-called woodcutter's liana [bejuco lenatero] and of the white and purple liana did not yield the expected amount of nectar, and beekeepers even had to provide sugar and boiled water to many hives. From the health standpoint, the bees are in good condition, but their food source, the nectar of melliferous plants, is responsible for the apiaries' lower production.

Deliveries for export were down: The plan for bulk honey was only 62 percent fulfilled, while the bottled honey plan was 85 percent fulfilled. In the latter category the main factor was not the shortage of the product, but rather the problems encountered by all bottling plants throughout the year.

The overall national honey plan in 1987 was only 77 percent fulfilled. The only province that was able to meet its target was Matanzas. This province is unique in that honey is collected in Cienaga de Zapata early in the year, so much progress was made before the rains of the final quarter could do any damage. The melliferous plants there are different from those in the rest of the country.

A similar problem plagued beeswax production. There were significant reductions in exports, and in the availability of this product for making wax sheets to place in honeycombs.

Nevertheless, the situation is favorable in the royal jelly sector. Production has increased since it first began in 1984. Last year 605 kilograms was extracted; part went to the Ministry of Public Health (MINSAP) for use in medication, and part was homogenized with honey and used to produce "Apiflor" pomanders. This product is bottled by the Beekeeping Enterprise itself at a plant located in the capital. Because only small quantities of Apiflor are available, it has been placed on the parallel market in Havana; but in the next few years, deliveries will increase as more honey and jelly become available.

Propolis, another beekeeping product that is in great demand in the public health and veterinary medicine fields, is now gathered in the majority of territories. Beekeepers gather it in solid form and send it to scientific institutions and hospitals. An agreement was signed with the Institute of Veterinary Medicine in Matanzas to manufacture various medications for use by both animals and humans.

08926

Updated Entrance Requirements for Camilo Cienfuegos Schools

32480088b Havana BASTION in Spanish 10 Jan 88 p 2

[Article by Capt Roberto Hernandez]

[Text] The Ministry of the Revolutionary Armed Forces calls upon young ninth graders who feel they want to pursue a military career to sign up for the Camilo Cienfuegos Military Vocational Schools (EVMCC).

Depending on your vocation, you could choose one of the vocational groups specified in each case, regardless of what province or locale you live in.

The first vocational group, specializing in command training, is made up of the EVMCCs of Pinar del Rio, Capdevila, Cotorro (both in the city of Havana), Matanzas, Cienfuegos, Villa Clara (1), Sancti Spiritus, Camaguey, Holguin, Santiago de Cuba (1), and Guantánamo.

The second group, covering the specialties of electronics and biology, consists of the EVMCCs of Guanabacoa, Villa Clara (2), Ciego de Avila, and Santiago de Cuba (2).

The third group offers the specialties of command and electronics for the Revolutionary Navy, and the school is located in Arroyo Arenas (Havana).

If you are interested, you can apply for admission through the offices of the municipal (provincial) Society for Patriotic-Military Education (SEPMI), or in your own basic secondary school.

To become a "Camilito," you must be between 14 and 16 years of age; be a Cuban national; have an average of at least 85 points for boys and more than 90 points for girls by the end of the seventh and eighth grades, and maintain that average through the end of the ninth grade; and you must not have repeated any grade in basic secondary school.

If you meet these requirements, you must take the entrance exams and tests, and must obtain satisfactory results. The subjects to be tested are the following:

- Mathematics for all vocational groups
- Spanish for those requesting admission to the command groups

- Physics for those desiring to study electronics
- Biology for those choosing the biology vocational group for the purpose of studying military medicine

In addition, you must take a medical aptitude and selection exam, physical fitness tests, and a psychometric test.

Finally, each young person who aspires to become a "Camilito" must have a satisfactory political-social evaluation, in accordance with the principles of a revolutionary youth, and must agree to be a permanent cadre in the Revolutionary Armed Forces in the specialties offered in each vocational group.

08926

**PRD Leader Majluta Speaks on Economy,
Protests**

Calls for Economic Reform

32480090 Santo Domingo EL CARIBE in Spanish
23 Feb 88 pp 1, 4

[Text] Jacobo Majluta stated yesterday that the only way for the government to check the progressive deterioration of the population's living conditions is to change its economic policy.

The former president of the republic and leader of one faction of the Dominican Revolutionary Party (PRD) added that it is necessary to cut taxes in order to relieve the pressure on the exchange rate and other economic factors.

He said that solving the national economic problem is as simple as guaranteeing that "5.5 million Dominicans will no longer be exploited so that a half-million can live very well."

The political leader spoke at noon on the interview program "El Almuerzo," produced by Bernardo Prat and Encarnacion Pimentel on RV-13. He stated that prices will continue to rise and the people's plight will worsen further if the government does not revise its economic policy.

In addition, he pointed out that in the current crisis, every time the exchange rate goes up or some other factor emerges to distort the Dominican economy, the private production sector raises its prices. At the same time, the government boosts tax collections, and in the end it is the population that bears the brunt of the two increases.

Under these circumstances, he added, it is the average Dominican, the person who depends on a salary, who is unable to defend himself against the crisis and ends up absorbing the price increases and tax hikes.

Majluta asserted that he is willing to work together with the government to solve the country's economic problems. In his opinion, these problems cannot be ignored any longer.

He noted that the government has lacked decisiveness in facing and resolving a variety of problems. Among them is the case of Falconbridge Dominicana, in which there has been "a great deal of fanfare" without any results. He called for a revision of the contract signed between the Dominican Government and the foreign mining company.

He added that the country's monetary authorities cannot protest or feel bad about the constant increases in the exchange rate, because in his opinion, letting the dollar float meant admitting "anarchy" in the entire Dominican exchange system.

He declared that "authority has been relaxed" in the country, and that the authorities themselves are responsible for this situation.

Majluta stated that if there were a "responsible business sector" in the country, Customs Director Teofilo Quico Tabar would be taken to court over the value-added tax increases and collections.

"If there is no change, the situation will go from bad to worse," stated the opposition leader. He went on to note that fuel prices, the exchange rate, interest rates, and prices of goods and services could all rise, and finally wages would have to be multiplied several times.

In his view, the entire economic policy must be changed so that the population can obtain the goods and services it needs for subsistence.

Majluta indicated that he supports any protest movement or demands "that are realistic," but he clarified that under no circumstances does he favor the use of violence as a means of putting forth demands.

He proposed that the government confront the current economic and social crisis by decreeing an immediate general increase in wages and salaries of no less than 40 percent, and that it drastically reduce all customs duties.

He argued that by adopting such measures, the government could launch a period of recovery that would cover all sectors in the nation.

He warned that an indispensable condition for the government to recover from its current inertia and for the economy to be revitalized is to get rid of practically all of the top officials, whose inefficiency has been clearly demonstrated.

Majluta indicated that these initiatives should be taken in order to slow down the process of impoverishment among the people, a process that is already advanced.

"As long as the current economic-financial model remains and the public investment program maintains the same orientation as it has to date, the people's economic and social situation will continue to grow worse," contended Majluta.

He stated that today's situation will lead to widespread strikes and popular protests, which he argues are not of a political nature but are based on real demands for change in the people's living conditions.

Says Protests Economically Motivated
32480090 Santo Domingo LISTIN DIARIO
in Spanish 23 Feb 88 p 12

[Text] Jacobo Majluta stated yesterday that the work stoppages and protests that took place in cities and towns around the country "represent a serious warning" from various sectors in the nation to the government of President Joaquin Balaguer.

Majluta, the leader of one of the factions of the Dominican Revolutionary Party, advances these arguments in a message to the government, which reads as follows:

"The well-founded protest demonstrations in response to the chaotic economic and social situation in the nation, expressed these days in the form of strikes, work stoppages, and the like, represent a serious warning from various sectors in the nation to the government of Dr Joaquin Balaguer.

"These actions confirm to us that the people in the various strata of society are convinced of the loss of authority and the virtual uselessness of the public agencies that are supposed to defend their interests. Such is the case with the Congress of the Republic and the public officials supposedly in its service.

"Attributing political motivations to the protests that have been going on for several days with equal intensity in La Vega, Santiago and neighboring towns, Moca, San Francisco de Macoris, Pimentel, Castillo, Azua, and San Juan de la Maguana, is tantamount to blindfolding oneself to avoid seeing a reality that invades the consciousness of Dominicans every day. By the same token, it is pure obstinacy to deny people's right to complain about the pollution caused by Rosario Dominicana.

"The rising cost of living, higher production costs, and the freezing of wages and salaries in an absurd denial of the cruel fact that all goods and services have gone up in price, have placed the middle- and low-income sectors of the population in a state of collective despair, given their present inability to defend themselves against this situation.

"It is not possible for the 500,000 people at the pinnacle of society to live by scandalously exploiting those on the lower levels.

"This assertion can be proven easily if we consider that the only activity not regulated here is commerce. This sector, just like the state customs agencies, makes sure its prices and taxes keep pace with increases in the prime rate and the value-added tax.

"Public institutions have become so arrogant that even the General Customs Office can impose higher value-added rates that have an immediate impact on the entire national economy.

"In view of this situation, we consider that the demands and active protests in this capital and in the interior of the country are completely justified, as long as they are carried out in a civilized, non-violent manner and involve no destruction of public or private property.

"Perhaps this will make the government react by changing its current economic policy, inviting all sectors to a great national dialogue, and submitting to the rule of law."

08926

President Cerezo on Government Policy, State of Nation

32480095 Guatemala City PRENSA LIBRE
in Spanish 7 Mar 88 pp 6, 7, 22

[Press interview by Mario Antonio Sandoval]

[Text] President Cerezo feels that when the press criticizes officials for their personal activities, it is violating human rights; that he has no reason to smooth out rough relations with the Catholic Church; that the Constitution and the law of the human rights attorney must undergo some reforms and that the government has not prosecuted the plotters because it must act "like a good father."

The Guatemalan chief executive expressed these opinions in an interview conducted in the presidential office. He also said that when the guerrillas ask for what they have asked for, they are showing that they do not want to dialogue, and that the government can be patient with all sectors because it is the strongest one in recent years.

The conversation with President Cerezo, which is reproduced below, is interesting because it shows the perspective from which the chief executive and his administration are viewing the domestic political and economic scene.

[Question] Could you mention specific cases...of newsmen or news media that have violated the expression of thought law in their news reports or commentaries?

[Answer] We have demonstrated that we respect constitutional rights, among them the right to freely express one's thoughts and the right of the press to inform. We have criticized the press when it has published news items, at times serious news items, before having confirmed them completely and when it portrays rumors as facts because of a lack of diligence in checking them out.

I believe, which does not mean that I am necessarily right, that in Guatemala there have been positive developments that have not been achieved in many years, but owing to a perhaps normal tendency of the modern press, there is more talk of the negative than of the positive. I don't believe that only bad news sells or catches the public's interest; good news does too, if it is important.

I am worried about the effect of this attitude, which I do not believe is in bad faith, not because the government is being talked about but because it can replace the positive spirit of most Guatemalans with the spirit of the defeatists.

It bothers me when the press voices generally unverified criticism of the honesty, attitudes and personal life of officials. This does not harm the official as much as it

speaks poorly of the ethics of the news media, some of which have gone astray and been run with the passion that characterizes their owners, and this blurs the task of the press.

This does not justify restrictions on the press, and we're not going to impose them, but the affected individuals could justifiably exercise their rights to protect themselves through the courts. That is not the custom in Guatemala, but owing to the litigious spirit that has been awakened in the country and that can be seen in the writ of amparo and the appeal for unconstitutionality, people will soon resort to such lawsuits if their honor is sullied in a shallow or frivolous manner.

Some media have maintained an impartial attitude, which has varied depending on the era or the news item. I can't generalize, except when we have had ideological confrontations with sectors of the country. When we discussed taxes with CACIF, there was a specific case when the press itself violated freedom of the press, because the newspapers adopted one line of thought. The press has the right to inform, but it also has a responsibility to do so impartially. It was a sort of work stoppage in reporting, and thus no one or nothing that supported the administration's position was reported. It was a case of violating the people's right to be objectively informed.

Moreover, when we sit down to talk with editors, we have managed to reason and to change a number of attitudes that had previously been considered typical of and normal for the press but that are not necessarily positive. The press will continue to play a major role in the process of democratization. I really believe that. Although a government official can lose his patience, he must never restrict freedom of the press but instead try to argue it into working constructively for national objectives.

[Question] Some high-level officials have said that the administration has proof, such as on-the-spot recordings, that members of specific sectors have urged destabilizing, illegal action. Why haven't they been accused before the courts? What are you waiting for?

[Answer] A decision has been made to begin "proceedings to inquire" into this sort of happening, to determine whether there has been intent to subvert the established order or not and, if sufficient evidence can be gathered, to file charges before the courts.

We have chosen not to emphasize this sort of proceeding because there has not arisen a situation of such danger that it would warrant prosecuting someone and turning him into an ideological enemy of the government, which is dangerous, because the line between enforcing the law and a political confrontation between sectors is a very fine one, and Guatemala has always been a victim of polarization.

Therefore, we have taken the approach of exhausting the path of warnings and calling the public's attention so that people engage in their activities within the law. Only in extreme cases will we resort to the enforcement of the law and to the courts. Besides not wanting to begin making people "victims of democracy," we are not going to do it unless we are absolutely sure that they are continuing with these activities.

In weighing rumors, reports and background information that indicate that someone is trying to destabilize the government but has not managed to do so, we prefer to issue a warning, rather than taking legal action. We have taken the same approach in everything.

For example, we have maintained an attitude of tolerance towards the labor movement, because they have taken de facto illegal measures. We are now faced with an illegal strike here. We have been warning the strikers for 9 days now that we will enforce the law, in the hope that they will compromise, because they need not be doing what they are doing, inasmuch as we are willing to listen and talk and to correct mistakes if we have made mistakes.

We did so with the private sector when it called for a general strike. To oppose the enactment of a law, as the chambers publicly did, is a crime of sedition against the State that carries a prison term of up to 6 years. It is in the Penal Code; we did not invent it. But we remained patient in the face of this too because we are all learning to live under a democracy.

A government ought to be like a good father, or a good manager: first, point out mistakes; second, draw attention to them, and third, enforce the law. The law will be enforced against those who do not heed the warnings, and they will not be able to say that the government was drastic, because we warned them. Many sectors have violated the law but have not gotten to the extreme of endangering the system.

We can act this way because this government is the strongest in recent years. We have had general strikes and street rallies by all sectors, the use of force by union organizations, takeovers of buildings, bureaucratic strikes, and to date not one head has been broken and not one tear gas bomb has been thrown, because the State has been able to remain patient, has viewed events objectively and because those who have protested have remained within legal limits.

Amid the apparent disorder and anarchy, all have shown a high degree of respect for the constitution. Demonstrators march through the streets without damaging property, and thus on only one occasion have we had to send in the police forces. This shows that in spite of what some may say, we Guatemalans can live in democracy.

What we must always be is willing to resolve problems under the law. Law and order must gradually make headway. The energy that this society has built up over 30 years has emerged, and we must release it little by little, like water behind a dam, to turn it into positive energy.

[Question] It has been said that the government reacts only to force, and this is considered proof of lack of foresight and planning. What do you think?

[Answer] It is exactly the opposite. The government has taken steps that are normal anywhere in the world, such as boosting the price of electrical energy for cost reasons. What would you do if every time the price of your newspaper were raised there was a public demonstration? We have taken measures concerning myths, which we are trying to dispel, to show that the country must change and take things calmly.

The government does not react just to force, as is shown by the case of the Public Health employees. We put the reclassification in last year, under an accord with the workers. It was reported to them, they protested and we called it off, to begin talks. They then proposed introducing it and beginning discussions on the issue.

An association decided to demand that it be called off before discussion began, thus creating the current situation. We have decided not to accept the dialogue if force is used, because the mistaken image has been created that the government reacts only to such steps, which is not the case.

The government has always stepped back and refused to accept the use of force. CACIF achieved more in the commission after the work stoppage than with the work stoppage. Of 29 proposals, we accepted 26. All the striking Public Health workers will manage to do is draft documents, be at the mercy of the elements and create opposition among the public, because they are harming the sick just to further their personal wage interest.

It is much easier to get something from us through dialogue than through confrontation. Most people want the constitution to be upheld. The army operates within the constitution, and all groups are obtaining benefits from it, which lends the government solidity.

[Question] You have said that constitutional rights have been abused, and associates of yours have remarked that the constitution is very extensive and detailed, for which reason almost all appeals for unconstitutionality will be won, and it will be impossible to govern. It is possible to govern with this constitution. Does it have to be amended in some ways?

[Answer] It is possible, and we are going to do so, but it is, in fact, very broad, very advanced in many respects, but too detailed, as a result of a historic process of

fearing government abuses. At the moment it is being shown that if government action is restricted too much, the country ceases to operate.

Too many powers also lie hidden amid all these details, because though some things are restricted, others are left open, and at bottom the government has too much power. We have to set up a multisector commission to analyze which aspects of the constitution ought to be limited, eliminated or pared back, to put forth a consensus proposal.

These are details, "cascaritas" [snags] so to speak. For example, it is impossible to arrest and book someone in just 6 hours, because the necessary communications and penal system infrastructure does not exist. A policeman who nabs someone in the Zona Reina has already violated the constitution by the time he gets to court and books him.

This makes the police inefficient, and furthermore, criminals get the impression that they're overprotected, and impressions are very dangerous in society. In this regard, political parties ought to sit down on talk, reach agreements and make proposals.

At present, the human rights attorney is a superofficial because that is how the law reads. If the president does not obey the attorney's order, he undermines the value of the attorney's office.

[Question] Do changes have to be made in the law applying to this institution?

[Answer] It has to be revised, because the attorney's powers are so broad that he can become involved in almost anything, even electricity rates. Word of this went all over the world and left everybody bewildered, because a government must be able to set electricity rates without someone telling it that it is violating human rights.

The attorney is acting within the latitude that the law provides, but we must remember that he is a delegate of Congress, which must exert more control. Realities will force a revision of this law, and it should be the object of consensus so that people do not believe that the State is revising the scope of the attorney's jurisdiction. The attorney's advisers must be careful not to discredit the institution by overdoing their functions.

[Question] If the law has flaws, is it valid to argue that for this reason it should be not be complied with? Wouldn't this be the same thing that other governments did before?

[Answer] This is not the case with us, because the State is entitled to take the permissible legal actions. We have opposed the attorney's decisions through the legal system and we are prepared to argue to the bitter end.

There are things that the attorney ought to begin doing. Example: a study indicates that the when the press talks about personal matters, it violates human rights; therefore, the media should have someone who is civilly and criminally responsible for such violations. The matter extends so far that all who have fostered such activity will get a taste of their own medicine, because the government is also entitled to legal action in accordance with the limits that the attorney's office sets for it.

One should give legal reasons for opposing a law, basing oneself on its interpretation. The attorney orders some things and recommends others, but certain officials are empowered to accept them or not.

[Question] Why are you traveling to Mexico?

[Answer] I agreed with President De la Madrid to meet annually to promote bilateral relations. We will take up issues of mutual interest, such as trade, credit, the foreign debt, peace in the isthmus, refugees, to meet the commitment of following up on previous meetings. I think that it is positive for both countries and gives economic and political advantages to Guatemala.

[Question] The Mexican press, EXCELSIOR specifically, has said that Guatemalan forces have entered Mexico in pursuing guerrillas. Is this true?

[Answer] No. There have been rumors, and Mexico asked us about them. We respect the border, and if any Guatemalan aircraft has ever crossed it, the opposite has also happened, especially in areas like Ixcán, where it is practically impossible to tell where the border is.

But it has not been done in bad faith, nor to offend governments, and for this reason the issue will be taken up, but it is not important. Guatemalans and Mexicans cross the border, which is often marked just by a tree, a river, etc, very freely. But it is not true that troops deliberately cross; the Mexican Army would be able to spot them.

[Question] The most recent document from the Episcopal Conference is highly critical of the government, and Monsignor Penados said afterwards that it was the government's fault that the dialogue with CACIF broke down. What steps have been taken to smooth out rough spots with the Catholic Church hierarchy?

[Answer] I don't think that there are rough spots to be smoothed out, because the document is not anti-government. People can interpret it as they like; the church issues documents to be interpreted. They are never very clear because their purpose, being spiritual, not earthly, is to guide, and they point to principles rather than to facts.

The document points out things that ought to be corrected in all institutions. For example, it speaks of disinformation; this is directed more towards the press

than towards the government, I think. A newspaper has just appeared, and all of the headlines on its front page are lies. It is striking how untrue news items have not been corrected. There is obvious disinformation, owing to irresponsibility and bad faith, and the document touches on this issue. The document is valuable because it points out the obligations of all segments of society.

When it speaks of hunger, of the responsibility for setting prices, it is not attacking the government but rather the profiteers and people who make others suffer. People blame the rising cost of living on the government, but the fact is that the government has succeeded in dampening the causes of higher living costs. We have shown that the increase is at times speculative and, therefore, depends on those who boost prices.

The church talks of problems of survival, hunger, wages and difficult situations for the people, but it is criticizing profiteers, not the government here. The government has not opposed minimum wages, for example. We view the church document as a valuable assessment tool for all institutions to reflect on the actions of each social sector.

As far as the document of the commission is concerned, we respect its viewpoint. The monsignor was one vote against two; some things in the document are not necessarily true. Our conclusion is that there was disagreement, not a failure of the government to comply with the dialogue. The president indicated to the government organizations that the counterproposals could not be accepted because they represent a step backwards in the reforms that have been implemented.

Perhaps the commission thought that to justify the dialogue all of the proposals for amending the laws had to be accepted to make an agreement. But that is no longer an agreement; it is accepting the other side's proposal. It is true that the subcommissions no longer held meetings, because the time came when it made no sense to keep on discussing matters that could not be resolved.

Frankly, the mediating commission has nothing to do with the church. The monsignor was present, but in the moral realm. The active ones were Dr Beltranena and attorney Quezada, the honorable representatives of the private sector. And I repeat: they say that there was noncompliance, and we say that there was disagreement. Moreover, relations between the church and the government are respectful and positive, but totally independent, as they ought to be.

[Question] Why hasn't the archbishop been accepted as a mediator in dialogue with the guerrillas?

[Answer] His involvement was accepted so that he could take part in the already existing mediation mechanisms. Mediation is accepted when there is a willingness to establish direct dealings with the other sector, but there

are no direct dealings here. The government has not been criticized internationally in this regard, for one single reason: we have gone further than any proposal made so far.

We have told the guerrillas: let's wipe the slate clean. Join in the country's political process without conditions, but if you want to bear arms, get a permit, like any other citizen... We can't allow them to take part and force voters to elect mayors by pointing machine guns at them. That can't be done in this process.

The amnesty is flexible, and we want to make it even more so. Let them avail themselves of it at San Carlos University, at any institution, if they're guerrillas, and if they're citizens with indirect links, they can take part in this process, the only condition being that they can't get mixed up in guerrilla activities. We can't be asked to do more.

The guerrillas are proposing that we sit down and discuss the organization of State security, the agrarian reform. No. That is discussed with political parties, which are the legitimate and valid representatives in the democratic process, not with a group that is fighting "with their guns," as Guatemalans would say.

No one knows anymore why they're fighting. The people voted for the constitutional path. They used to say that they were not taking part because the army would not hold free elections. There were free elections; there is a constitution, a freely elected government, political freedom, etc. So no one knows why they're fighting. If they want to discuss an agenda, they ought to join the political process.

Otherwise, the only thing that can be done is to talk with them about the practical problems of individuals who for years have been at war and who ought to return to peace. It's very easy. If they state that they want to take part in the political process, let them talk with the commission of the Esquipulas accord, and we'll give them guarantees that there will be no military repression, if they fear that it exists. If they don't have the money to found a political party, we'll seek a mechanism for them. If there are peasants who want to rejoin, we'll find work for them and give them land.

Once this has been discussed, the political decisions will be made, and we'll talk with them about the issues that they deem appropriate, including the agrarian reform. But reversing the process, as if nothing had happened in Guatemala, and sitting down to talk about the civil self-defense patrols, or whether the army should have intelligence or not...

That would be like telling them that as a condition for joining political life, they have to reveal their entire underground network, or to give proof that they returned

the weapons to the country that provided them, or to say where they left them buried in Mexico or Belize or any other country, or to say in which mountains they have their hideaways.

To ask us for what they're asking us is to not want to dialogue. The guerrillas' proposals are designed to not establish a dialogue or to begin one that has no end, as they did in El Salvador, where they wanted President Duarte to resign and hand over half the government. Moreover, they know perfectly well that they can never win the war in Guatemala.

[Question] What is your opinion about Panama?

[Answer] We deeply deplore recent events in Panama. Having disavowed President Delvalle creates a shadow over the prospects for a political opening and democratization. We feel that the rule of law ought to have been maintained, and although they're acting under the constitution, removing a president because he makes an administrative decision is a power play against the Panamanian institutional process.

The most deplorable thing is that it could be leading Panama into a confrontation the consequences of which we know well: a government that is becoming increasingly de facto, that wants to impose itself by force in opposition to the process, but that does have some degree of grassroots support, could lead to an internal conflict, from an extreme polarization to a civil war.

This is going to cause Panama so much economic harm that it could push it to the brink of bankruptcy and could be leading the current Panamanian authorities to make decisions that are not thoroughly thought out. They will remain outside Contadora; they have not joined the Central American process; they are isolated and could radicalize their ideological positions.

Guatemala's position of active neutrality enables it to point out and criticize events in Panama because they are not positive for democratization. A negotiated solution must be sought so that the country can return to a path that guarantees free elections for a constitutional government in keeping with the periods established in the Panamanian Constitution itself.

We must make an effort to prevent an internal confrontation in Panama, because that would aggravate the Central American crisis. The canal is strategically important, which will lead the United States to exert more intense pressure, and this means another area of conflict. This ought to prompt an exchange of opinions among the Central American presidents so that it does not become another cause of disagreement among ourselves. Nicaragua came out in favor, the others against...We have to talk about what we can do so that political space reopens in Panama, giving rise to a peaceful, democratic solution.

[Question] What specific actions have been taken to prevent crimes like kidnappings and murders from being committed, as they were in the past, such as the cases of the white vans?

[Answer] The police are taking action to establish whether reports of crimes are true. For example, there is one boy who says that five white vans are pursuing him. That sounds like a movie. Every time that we are sent a telegram about a kidnapping, it says that the person was kidnapped in a white van.

Only one of the cases, that of a missing student, does not involve a crime. A slain woman was connected with a specific criminal case, and one of the suspects is on trial in Escuintla. The brother of an army officer was killed; it would be ridiculous for us to pursue the families of military personnel.

They are generally organized gangs, which can paint cars. Let's not forget that there are 25,000 forged license plates, which means that immediate results cannot be achieved, but we're on the trail of the white van and we're going to find it.

8743

Army Officers Criticize Government in Anonymous Communique

General Comments on Communique
32480096a Guatemala City PRENSA LIBRE
in Spanish 2 Mar 88 p 17

[Text] "I really had no knowledge of that bulletin, which is attributed to patriotic officers of the Guatemalan Army and was sent to representatives in the Congress of the Republic to make seven demands of the president of the republic and commander in chief of the Army," stated Gen Hector Mario Lopez Fuentes. Gen Lopez Fuentes is the former ambassador to Italy and former chief of the presidential general staff.

He was referring to a communique addressed to the people of Guatemala, the diplomatic corps, and fellow military personnel. The message criticizes the government's situation and calls upon the president and commander in chief to make a change in his cabinet (including the defense minister) within 30 days. It also calls for the elimination of unnecessary spending and a 40-percent cut in the budget, lower prices and price controls on basic consumer items and medicines, the elimination of the Development Councils, and non-intervention in the Military Provision Institute (IPM).

In addition, the communique demands the expulsion of all intelligence agents of enemy countries who are currently in our country serving as advisers to the president's office, the ministries, government offices, and other organizations, or as foreign correspondents. It urges respect for and enforcement of the orders of the

Human Rights Prosecutor's Office. The general stated in this interview that the communique contains complaints by some high-ranking officers that they are not satisfied with the current government's system or procedures. "I have not been aware of any intervention in the IPM," he said. "I have gone there because I am a retired army officer and I have gone through the legal procedures, and I have not had any problem. I think this communique is from malcontents in some group that has been capitalized by elements in some political faction that is opposed to the current regime." At another point, he said, "I might even think that this communique is not from a nationalist group, given the statements it makes; it doesn't seem to come from the left or the right. I don't see any of the political trends currently in vogue among the Guatemalan people."

"If this discontent were to grow, it would be dangerous because of the destabilization of democratic principles that it would imply. It could endanger democracy.

"I would not say," he emphasized, "that all the demands should be acted upon; but the government should analyze and study where this situation may have arisen from, and whether it can solve some of the citizens' problems. Maybe that would release the tension a little.

"The government," he went on, "is the result of a democratic process, and it has in its hands the means to take full advantage of the situation and seize the historic moment to strengthen the process.

"I took the liberty of saying in an interview in PRENSA LIBRE that there is widespread dissatisfaction. That's why I would say that the government should not underestimate the citizens' demands, because there are many people who voted for this government and should not be disappointed.

"There is no doubt that the purpose of democracy is to enable the citizenry to express itself or to serve as an outlet for discontent or for making requests.

"I believe that if the government meets some of the people's demands, it will win support because its stock has gone down. We all know that its power is waning. But to avoid further deterioration, I would suggest that the solution to all these problems that are hitting the government at once should be arrived at little by little, that is, one thing at a time.

"That would work to the benefit of the government itself," he stressed, "as well as that of the country, and we would not have this build-up of ill-will and anxiety among the populace."

Deputy Calls Authors 'Patriots'

32480096a Guatemala City PRENSA LIBRE
in Spanish 4 Mar 88 p 3

[Excerpts] "Unfortunately, the government's attitude is to hear but not heed the different sectors, and as a result, various groups are giving it ultimatums for meeting their demands," stated Deputy Raul Sandoval Portillo of the National Liberation Movement (MLN). He was referring to a communique sent to the deputies by a group of army officers who did not identify themselves.

"The manifesto we received the day before yesterday in Congress is typical," he added. "They make requests of the president of the republic and they give him a deadline, and we don't know what the consequences will be. But I think they would be fatal.

"They should have made their criticism the way the parties have," he said, "criticizing the bad up front and acknowledging the good that has been done (to be sure, there has been very little good).

"Unfortunately, the patriots who wrote this communique cannot be invited to a dialogue because they did not identify themselves.

"As for the criticism of the government they offer in this manifesto, there is much truth in it. There are things we ourselves have criticized, and there are other things we are not aware of.

"I think that it would be a good idea for the government to heed all communiqués, because there is widespread discontent. All of the president's dialogues are a ploy to buy time, because so far he has not provided any positive solutions for the people."

08926

Father Giron Prepares New Agrarian Reform Campaign

32480106c Guatemala City PRENSA LIBRE
in Spanish 14 Mar 88 p 24

[Text] Coatepeque—"We are preparing new measures to pressure President Cerezo, to see if he will take a stand and whether he will side with the peasants," stated Father Andres Giron in an interview in this city. Father Giron, leader of the National Association of Peasants for Land, indicated that he had met with peasant representatives and with leader Carlos Dubon Garcia in Ocos.

"The movement," he said, "is in the process of being reorganized, hopefully at a national level. I have talked with Carlos Dubon to join efforts so that together we can exert pressure on the president to give land to the peasants," added the priest.

The National Association of Peasants for Land, said Father Andres Giron, is now a National Land Confederation. The leaders joined together to form a single front, he reported. In his movement, he said, there are a half-million peasants who are waiting for their minimum land needs to be met so that they can grow their own food. "Food is what we are asking for them," emphasized the priest.

"We are planning the measures to take," he indicated, "and we will implement them before winter begins."

"We are going to try to make the president take a stand and commit himself one way or the other. We will see whether he dares help the peasants. We will take the necessary measures," he indicated, "until the president answers us. We appeal to the peasants," he said, "not to allow the politicians to take them by surprise."

"We are going to hold marches again, and fasts, as we have done before. We do not plan any more drastic actions, such as land invasions. We do not want to destroy this incipient democracy," noted the controversial priest.

The new pressure measures, he indicated, will begin on 14 March. This will mark the resumption of the struggle for more than a half-million landless peasants.

"I think agrarian reform is the solution for Guatemala," declared Father Andres Giron. "Otherwise, agroindustrialization will be impossible without breaking the framework of productivity. There is a lot of idle land in this country."

"In Coatepeque," he said, "we have seen the El Cristo ranch, which is owned by the Santiago de Coatepeque Cooperative. We are going to take a proposal to the president, to see if he will decide on the purchase. This property consists of 7.5 caballerias. We have also seen another estate in the area of La Verde, in Retalhuleu. With our own funds, we are going to buy a holding to turn over to the peasants. Nevertheless, we have raised very little money so far. It is sad that the people of Guatemala are not helping," he stated.

Among other things, he reported that the peasant lottery has already been set up on a national level as a means of raising funds for buying land. In the next few days, he

explained, the bill will be sent to Congress for study so that the lottery can be authorized. Under this plan, numbers or tickets will be sold to raise funds for the Movement for Land. 08926

Episcopal Conference Bishops Support Agrarian Reform

32480106b Guatemala City EL GRAFICO in Spanish
22 Mar 88 p 3

[Article by Carlos Garcia Urrea]

[Excerpt] Guatemala, 22 March—A call for agrarian reform, termed "the clamor of the people for land and against the most humiliating and devastating scourge," was issued yesterday at a press conference held at the Archbishop's Palace by the Guatemalan Episcopal Conference. The appeal was in the form of a joint pastoral letter.

The pastoral letter was presented by Msgr Oscar Garcia Urizar, secretary of the Episcopal Conference, but it was later explained by Msgr Rodolfo Quezada Toruno, president of the conference.

Msgr Garcia Urizar stated that the bishops recall pointing out as early as 1984 that land ownership was poorly distributed; vast tracts of land lie fallow or poorly cultivated. This situation, he noted, makes our people hungry and sickly, with a high mortality rate.

The bishop also stated that it is obvious that the peasants are raising their voices. In many cases, efforts have been made to silence this clamor by force of homicidal weapons.

Then he added that in view of this painful situation, the bishops are trying to orient Catholics' thinking and to call the attention of all men of good will.

First of all, they invite such people to experience the demands of solidarity as the best way to find a solution to the problems at hand, overcoming the selfishness that lies at the heart of these problems.

In another part of his presentation, the secretary of the Episcopal Conference stated that the prelates believe it is necessary to make clear the "Christian characteristics" of this process, which is leading to a change in structures. However, he noted, "Saying no to violence is the first thing. This has to be done within a legal framework, and that is why current legislation must be revised."

08926

Recent Political, Economic, Social Developments

32480107 [Editorial Report] Various Spanish-language Mexican press sources, as indicated, have been consulted to prepare the following collection of extracts, No 15 in a series. Where further processing by FBIS is planned, a note to this effect accompanies the item.

Caudillismo Attacked by Salinas—In a campaign address delivered at Independence Park in Salina Cruz, Oaxaca, on 17 March, PRI presidential candidate Carlos Salinas de Gortari proposed "thoroughly reworking" the programs for the Isthmus of Tehuantepec, given its strategic position and proximity to Central America and because, up until now, the region has been neglected and left at the mercy of caudillismo and personalist politics. Salinas de Gortari said: "Solution of problems has been subject to inertia and paternalism and the Isthmus' problems have gotten worse. For that reason, the proposal that I am making here and now is that we need a clearly revolutionary policy in the region." [Mexico City LA JORNADA 18 Mar 88 pp 16, 36]

Salinas Meets With SRTPRM Leaders—PRI presidential candidate Carlos Salinas de Gortari met in Panuco, Veracruz, on 10 March for more than 1 hour with Revolutionary Trade Union of Petroleum Workers of the Mexican Republic (SRTPRM) leader Joaquin Hernandez Galicia. Hernandez Galicia described the meeting as "just a get-together of friends." He said that the differences they once had about the Salinas candidacy and the country's economic situation are a thing of the past. Also in attendance were PEMEX Director Francisco Rojas Gutierrez and SRTPRM Alternate Secretary General Salvador Barragan Camacho. The four emerged from the meeting smiling. Among the issues discussed were SRTPRM economic prerogatives and PEMEX-union relations. [Monterrey EL NORTE 11 March 88 p 2-A]

Salinas Endorsement of Democratic Principles—In a 13 March Mexico City address before PRI candidates for Congress and the first Federal District Assembly, presidential candidate Carlos Salinas de Gortari asserted: "We members of the PRI know that democracy is strengthened only through promoting participation and consolidating the legal rules that make liberty possible.... Democracy is built through clean, verifiable elections. It is not enough to win. People must be convinced that the victory has been won properly, with respect for the law and respect for the will of the people, which is the only thing that matters to members of the party." [Mexico City EL DIA 14 Mar 88 p 2]

Cardinal Corripio on Civil Disobedience—Speaking in Mexico City on 16 March Cardinal Ernesto Corripio Ahumada affirmed that from the viewpoint of Catholic morality the acts of civil disobedience called for by the National Action Party are not prohibited, but added that before engaging in such acts a number of conditions

ought to be met in order to avoid problems worse than those for which a solution is being sought; the state of the nation would have to be thoroughly studied to insure that such acts not get out of control. [Mexico City LA JORNADA 17 Mar 88 p 12]

Cardenas Discusses PRI Career—In what EXCELSIOR calls "an unusual dialog for a politician," National Democratic Front presidential candidate Cuauhtemoc Cardenas acknowledged before Iberoamerican University students on 14 March that the "dedazo," or the practice of appointment from above, played a part in his winning his senatorship and governorship and that he had been a member of the PRI for more than 20 years despite knowledge of undemocratic practices because he felt that the PRI was the only party through which change could be effected. He is aware, he said, that for this reason he shares responsibility for the undemocratic practices of the PRI. He also said: "We of the Democratic Current were not those who carried out the electoral fraud. I could say that in the course of my involvement in the PRI I never encouraged and was always opposed to the fixing of elections. We knew something of what had been done...but not everything." He also acknowledged that while candidates to the various elective offices used to rise through the practice of "dedazo," there existed among them a certain social commitment to respond to the demands of the people. This sense of commitment no longer exists nowadays in even the slightest degree, he said. [Mexico City EXCELSIOR 15 Mar 88 pp 4-A, 39-A]

Zorrilla Perez Testifies in Buendia Case—After a 16-hour period of questioning on the Manuel Buendia homicide case on 11 March of Jose Antonio Zorrilla Perez, former head of what used to be the Federal Security Directorate, Special Prosecutor Miguel Angel Garcia Dominguez declared that "nothing is clear." He also indicated that a list of 773 questions concerned with the case has been sent to FRG authorities for the questioning of arms merchant Gerard Mertins. The interrogation of Zorrilla Perez began on 4 March, when he presented himself in response to warrants instructing him to appear. On 7 March the prosecutor noted that Mertins continues to be a "key figure" in solving the case. Garcia Dominguez also noted that Luis Fantini, Mertins' representative in Mexico, had confirmed in questioning by Mexican officials that Mertins had threatened Buendia on 2 occasions for having published details of the black market arms trade in his column. [Mexico City EXCELSIOR 5 Mar 88 p 5-A; 6 Mar 88 pp 5-A, 26-A; 8 Mar 88 pp 5-A, 30-A; 12 Mar 88 pp 5-A, 30-A; for a related report, see No 14 in this series.]

Proposed Change in Juvenile Status Rejected—According to the Interior Secretariat, the majority of state governments decided on 12 March that the proposed reduction of juvenile status to 16 years of age ought to be

studied further. State officials responsible for child-rearing issues meeting in Acapulco were in agreement, according to the Interior Secretariat report, that the proposed change would unjustly punish adolescents who

posed little or no threat to society. [Mexico City EXCELSIOR 13 Mar 88 pp 4-A, 34-A; for initial reports on this proposal, see JPRS REPORT: LATIN AMERICA of 8 Sep 87 (JPRS-LAM-87-063), pp 114-119.]

Tariffs Imposed by U.S. Called Unjust
33480088c Caracas EL UNIVERSAL in Spanish
13 Feb 88 pp 2-5

[Text] The Association of Venezuelan Metallurgical and Mining Industrialists (AIMM) has termed the provision adopted by the Department of Commerce in the United States, which establishes customs duties on the aluminum wire products Venezuela exports to that country, serious and unjust.

The president of the AIMM, Amador Hernandez, said that according to the Department of Commerce, it was forced by law to launch an investigation of Venezuelan exports of aluminum wire products to the United States because of a request filed by a business in that nation.

"What this notice does not show is that this action is the result of a study initiated by the Department of Commerce itself on the impact of aluminum exports in the United States," he noted.

This businessman said that the purpose of the Department of Commerce investigation is to initiate legal actions such as that mentioned to limit access to that nation for various aluminum products.

The Venezuelan businesses involved in this case absorbed 25 percent of the raw aluminum produced by Alcasa and Venalum in 1987 for the manufacture of cable and wire products.

In this connection, our informant said, 30,000 of a total of some 100,000 were consumed in this country and the export total of 80,000 tons was shipped to the United States market.

According to Hernandez, "The action by the Department of Commerce will affect the foreign exchange income Venezuela earns on nontraditional products substantially, because this sector generated more than \$150 million last year."

He also warned that Venezuelan aluminum cable may be excluded from the GPS preferential system, which provides the developing countries with lower customs rates.

"Given this situation, another aluminum product with high added value would find access to the United States limited," he added.

On the other hand, he noted that the measure will affect other products of Mexico, Brazil and Argentina, all countries with a high level of foreign indebtedness, like Venezuela, and thus in need of exports in order to achieve a favorable balance of payments so that they will be able to pay off their tremendous debts and the interest on them.

Hernandez said that the AIMM believes that "A review of the import policy is necessary in order to limit imports from countries which are threatening our exports with measures like that mentioned above.

"It would also be desirable for the government, through the Foreign Trade Institute (ICE), to reach agreements with other countries so as to allow greater penetration for our products and in order thus to obtain more foreign exchange income for Venezuela," he said in conclusion.

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Lusinchi Breaks Silence on Gulf Issues
33480088a Caracas EL UNIVERSAL in Spanish
13 Feb 88 pp 1-4

[Article by Rafael Sureda Delgado]

[Text] The official silence observed in the country following the Arauca Declaration in June of 1985, wherein Lusinchi and Betancur, the chiefs of state of Venezuela and Colombia, respectively, promised to draft the modus operandi which would govern future negotiations on delimiting the maritime and submarine areas between the two republics, has just been broken in clear and dramatic fashion, worthy of every praise, since it reflects the sentiments of all Venezuelans, without ideological, party or group distinctions.

Last Thursday, 4 February, on page 12 of Section 1, this newspaper carried a broad summary of President Jaime Lusinchi's interview, televised for our neighbor country, with the former ambassador to Caracas, Alberto Zalamea. Among the subjects taken up, that on which the interview placed the main focus was the disagreement concerning the Gulf, and, naturally, the relations as such resulting from this difference.

In this talk, the concepts voiced by Lusinchi left not the slightest doubt about the fact that they represent a national position of great political firmness with regard to the Colombian claim to more than half of our Gulf of Venezuela.

The president was categorical in stating that in recent months, the two countries have indeed experienced moments of tension. But, he warned, this was due to situations which we did not provoke. While it is true that they were not specified, our readers will recall two of them. The first was the unusual proposal that we abide by the Treaty on Nonaggression, Conciliation, Arbitration and Judicial Settlement so that the disagreement could be settled by an international commission, the members of which had, thoughtlessly, already been spelled out. When this effort was defeated due to the national rejection of it, the second and more dangerous one involved the dispatch of the Caldas to challenge our maritime sovereignty in the Gulf on a military basis. We believe that the reaction of the president to this ill-considered action by a warship was one of calm warning.

"One cannot proceed with a policy based on an accomplished fact," because to do so "is to create an undesirable situation," since "no one can engage in discussion in a creative spirit, with a will for understanding, while subject to improper pressures."

After former ambassador Zalamea tried to explain that there was no "improper pressure" on the part of Colombia, but rather the "pressure of historical circumstances," Lusinchi stated emphatically that "On certain occasions such have indeed existed, and in a form which I regard as undesirable." However, very tactfully, he said he did not want to "go into this."

Another aspect which should be stressed is the reference by the interviewer to allegedly xenophobic groups which exalt nationalism. On this point, Lusinchi wisely cut him short, saying that "in precisely that connection," there have been worrisome concerns. "I do not deny it," he said, "for naturally there was no connection with the truth in making us seem to be the enemies of Colombia, with a narrow view which has never characterized us."

Thus the chief executive did not fall into the temptation to mention those who in one way or another, freely and democratically, have expressed their opinions on the subject in our country, and who have sometimes been accused, even here, of superpatriotism or hypernationalism. Respectfully and nobly, Lusinchi told the Colombians that all opinions are respected in Venezuela, without any need to ascribe pejorative adjectives to them, because, as he said in the televised interview, "The problems in this so-called disagreement have been handled with a national orientation."

It is interesting to note the comment Lusinchi made about the delimitation, explaining that this is "something which Colombia has never been willing to discuss," but since negotiations were under way, "the vital and historic nature and the legal claims of Venezuela" concerning the Gulf of Venezuela could not be ignored. In a statement of categorical firmness, he said that relations should not be muddled "by a circumstance which in our view is secondary for Colombia, but vital for Venezuela."

The silence has been broken by this interview. Doubts were dispelled. Criteria were established. Confidence was renewed. We believe that Jaime Lusinchi has opened the door to negotiations, because the cards are on the table. Perhaps contact could be reestablished during this constitutional period, with greater political maturity, despite the fact that this is an electoral year. For, as he himself specified, "There is confidence in the government that we will always deal with this problem on the basis of national criteria."

Communists Seek Greater University Support Against Government

33480088b Caracas TRIBUNA POPULAR in Spanish
4-10 Mar 88 p 5

[Text] To promote a negotiated solution to the university conflict, to encourage actions to strengthen political pressure on the government, and to urge the appointment of a mediation commission made up of leaders capable of assessing the conflict with equanimity and seeking solutions satisfactory to all parties—these were some of the resolutions adopted by the National Higher Education Plenum, which was held in Cantanaro on 21 February and was attended by members of the PCV and the Communist Youth.

"Not only were these resolutions reconfirmed," said Damelys Yeguez, "but it is essential to promote them because of the 23 February CNU decision, which in no way resolved the conflict, but on the contrary, introduced new elements into it. For example, the professors approved the 26 January resolutions, which deliberately threw out the essence of Article 13 of the norms for approval.

"Where the 5 percent increase proposed for administrative personnel is concerned, it should be noted, among the other problems this decision creates, that the CNU has once again ignored the collective bargaining which governs labor relations in this sector. As to the quantification of the provisions pertaining to student services, the criteria used in calculating the amounts corresponding to each of the different services are not at all close to current prices. And in the increases for the academic sector, the criteria for estimating purchases of equipment and basic supplies for the strengthening of research and library services are irregular, because they were based on the assumption of 4.30 as the dollar equivalent.

AD Threatens Use of Gangs

"But in addition, the resolutions and proposals of the plenary session must be strengthened because Minister Cabello Poleo is making the conflict partisan in the hope of breaking it up. This action," Yeguez explained, "began with the plenary session of AD students and professors at the UDO held prior to the carnival celebrations, and it heated up at the plenary session of AD university leaders held in Carabobo on 27 and 28 February, at which the minister said that the CNU has the authority to set forth its own interpretation of the norms for approval. He also said that every effort should be made to break the strike, and he instructed the professors' and students' factions to make public appeals in order to get activities started again. And, at that plenary session, the AD even threatened to use armed gangs to prevent the peaceful demonstrations in which the sectors involved have engaged to demand satisfaction of their claims."

Damelys Yeguez explained that in making this decision, the minister went over the heads of those on the AD base levels, whose views favor the conflict.

The Communists' Proposal

The communists, desiring the reestablishment of talks, proposed the following at the plenary session: 1) that the CNU be required to quantify the concepts representing the administrative provisions covering student services, using flexible criteria; 2) that it be urged that Article 13 of the norms for the approval of wages and additional benefits for teaching and research personnel be maintained unchanged; 3) that the percentage to be paid teaching and research personnel be considered a sum separate from the application of Article 13 of the norms for approval corresponding to the year 1988; 4) that the balance of the debt resulting from the application of the norms for approval for 1988 be paid off within a period previously agreed upon by the ME and the FAPUV; and 5) that the wage-adjustment percentages approved for immediate payment to professors be extended to the rest of the university personnel (employees and workers).

The plenary session in Cantanaro emphasized the importance of encouraging actions to incorporate the university communities actively in the conflict and to increase pressure on the government, as well as to increase solidarity actions among the workers and propaganda and agitation activities.

These proposals take on importance in view of the evidence of the fact that all the government is doing is to neglect the search for an effective solution to the conflict. "In this connection," Damelys Yeguez noted, "it has not even been concerned about the criminal paralysis which has affected the institutions of higher education throughout the country."

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35 Naval Technology Research Projects Completed

33480090c Caracas *EL DIARIO DE CARACAS* in Spanish 28 Feb 88 p 28

[Text] The National Government is carrying out intensive scientific and technological activity now under the 87-89 Technological Development Plan drawn up by the Navy's Directorate of Research and Development. Technological assistance agreements have been signed with many institutions, all interested in providing the best service to make the project successful.

The institutions involved in this plan are: Engineering Institute Foundation, Central Technical University, LUZ [University of Zulia], Covenin, Simon Bolivar University, FUNDAVAC [Foundation for the Advancement of Science and Technology], CORPOZULIA [Zulia Coal], CITO [Center for Technological Research of the East], CIEPE [State Research Center Foundation

for Experimental Agroindustrial Production], Puerto Cabello Technological Institute, University of Carabobo, and Industrial Credit Fund.

A total of 97 research projects have been implemented and 35 completed with the collaboration of the Ministry of Defense, CONICIT [National Council for Scientific and Technological Research], Compania Aeti, Compania Maplata, Latin American Energy Organization, UCV [Central University of Venezuela], LUZ, and the Puerto Cabello Technological Institute.

Activities have included forums, speeches, awards, and the execution of projects such as the "CO₂ absorption canister in submarines." This means a savings in purchases of 15 million bolivares. Other projects include cards for TLC Consoles of the Mariscal Sucre class frigates with a savings in the first 40 cards of 62,400 bolivares and construction of two CO₂ absorption ovens with a savings of 90,000.

Venezuela has its own technologies, even patentable ones like the new CO₂ absorbent that could be marketed like the test banks for gas turbines, torpedoes, and radar.

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French Technological Cooperation Discussed

33480094b Caracas *EL UNIVERSAL* in Spanish 13 Feb 88 pp 2-7

[Text] The vice minister of MEM [Ministry of Energy and Mines], Julio Cesar Gil Garcia, met in his office with the deputy general manager of the French Petroleum Institute, Jean Favre, to discuss the prospects of increased bilateral cooperation between the two countries in the technological field.

The French Petroleum Institute's relations with our country began in 1980 when, through INTEVEP, a subsidiary of the PDVSA [Venezuelan Oil Research and Development Corporation], a cooperation agreement was signed.

Under this agreement, several important projects in the crude oil processing sector were carried out.

During their meeting, Favre and Gil Garcia reviewed the progress of work under this agreement, with a view to its possible extension to other spheres of mutual interest.

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Candidate Fernandez Proposes 12-Point Economic Plan

33480090b Caracas *EL UNIVERSAL* in Spanish 17 Feb 88 pp 1-12

[Excerpts] Basel 16 Feb—One of the main ideas Eduardo Fernandez proposed to representatives of the International Financial Community who met in this city was to

change the current relationship between Venezuela and its creditors and form a company to explore the infinite possibilities of the Venezuelan economy.

The presidential candidate for COPEI [Social Christian Party] said: "If there is one country where pessimism is not justified at all, it is Venezuela. In my country, we have extraordinary prospects for development, not only based on oil but other basic industries and as yet unexploited sources of wealth."

Fernandez gave a speech and answered questions from Swiss businessmen connected to Venezuela through loans or investments. The meeting was organized by Franz Lutolf, general manager of Swiss Bank Corporation.

Eduardo Fernandez indicated: "Venezuela is a civilized country where the nation's laws are respected. Consequently, we are determined to meet our commitments. However, it is important to state that the refinancing plan that has been developed cannot be carried out. The amount of our foreign currency revenue that must be used to pay the foreign debt is extremely onerous."

The COPEI presidential candidate proposed that the Venezuelan economy be revitalized first and then the debt paid under conditions that are advantageous to Venezuela and its creditors. In other words, the current refinancing plan must be exchanged for a type of debtor-creditor production company.

"We must sit down and talk intelligently and in a civilized manner. I think that financing plans, programs for the revitalization of the Venezuelan economy, must be examined based on recognition of the valid obligations acquired by the republic. I am very optimistic because I am convinced that there are formidable prospects for my country's economy."

His 12 Proposals

At the meeting, Fernandez proposed 11 other points to improve the Venezuelan economy:

1. Establishment of clear and stable rules to renew confidence and stimulate private investments.
2. Restoration of economic guarantees.
3. Denationalization of some enterprises inefficiently managed by the state.
4. Reduction of cronyism and bureaucratic red tape.
5. Stimulation of foreign investments.
6. Incentives for and development of five areas of the Venezuelan economy: basic industries, small and medium enterprise, agriculture and agroindustry, tourism, and construction.

7. A moderately expansionist monetary policy.

8. An exchange policy that is not purely fiscal.

9. Stimulation of exchange unification.

10. Promotion of nontraditional exports.

11. A more aggressive oil policy with regard to marketing and internationalization.

Fernandez ended: "I propose basic changes in the current Venezuelan model of economic development. I feel that the old model needs to be renovated and modernized. The country demands a new model of development, a long-term economic and social strategy, to serve as a framework for all our actions."

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Coal Production, Export Goals Through Mid-1990's Detailed

33480090a Caracas EL UNIVERSAL in Spanish
11 Jan 88 pp 2-6

[Article by C. R. Chavez]

[Text] Some 500,000 metric tons of coal exported from the rich Guasare mines or seams in western Zulia State will make Venezuela as much a coal exporter as it has been an oil exporter for 70 years. This coal exported by CARBOZULIA [Zulia Coal], a branch of PDVSA [Venezuelan Petroleum, Inc.], is the start of a vigorous production and export program. The objective is to export 6.5 million metric tons of coal per year by the middle of the next decade.

The first exports, a planned experiment, were made last year: a load of coal from Guasare to Italy. It was shipped from the Venezuelan port of Santa Cruz de Mara via Maracaibo Lake. The president of the republic, Dr Jaime Lusinchi, participated in the opening ceremony for the coal export plan with Luis Urdaneta, president of CARBOZULIA, the PDVSA branch which mines that coal.

The CARBOZULIA installation in charge of mining the Guasare coal basin—50 kilometers long and 2.5 kilometers wide—was inaugurated. The construction and operation of these industrial installations for the exploitation of this coal deposit will give direct employment to 3,700 people and indirect employment to 2,500 more workers. The overall investment in the project is estimated at 9 billion bolivares. The exports can mean a savings in foreign currency of at least \$200 million per year.

PDVSA Announcements

A speech by the president of PDVSA, Dr Juan Chacin Guzman, at the year-end celebration of PDVSA last 29 December referred specifically to this project. After mentioning the inauguration of the shipping port and the first exports, he said:

"The mining of this coal seam will mean wealth for this region (Zulia) and a new source of foreign currency for the country. The initial production plan begins a process that will include the export of 500,000 tons per year for 1988 and 1989. This will increase progressively once the

final transportation installations are constructed, reaching 6.5 million tons by 1995. CORPOZULIA will receive a royalty for its regional development projects for each load exported."

He added: "A Letter of Intention was signed in 1987 with the international consortium made up by ACC Venezuela Inc. and Agip Carbone, businesses with technological and market experience. Negotiations to create a joint enterprise for the integral development of the Guasare coal project continue."

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12 May 1988